

MALAYSIAN BULK CARRIERS BERHAD

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

MINUTES OF THE THIRTY-THIRD ANNUAL GENERAL MEETING OF THE COMPANY HELD AT LEVEL 12, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ("THE BROADCAST VENUE") ON MONDAY, 30 MAY 2022 AT 2.00 P.M.

Shareholders and Proxies participate via live streaming

568 shareholders and proxies

In Attendance

Dato' Mohd Zafer Bin Mohd Hashim	<i>Chairman</i>	
Mr Yeoh Khooon Cheng	<i>Independent Non-Executive Director</i>	
Dato' Goh Cheng Huat	<i>Executive Director</i>	
Dato' Chin Yoke Kan	<i>Executive Director</i>	
Mr Hor Weng Yew	<i>Chief Executive Officer</i>	
Ms Cindy Tan Siew Min	<i>Financial Controller</i>	
Ms Tan Ai Ning	<i>Company Secretary</i>	
Mr Lim Soon Huat	<i>Non-Independent Non-Executive Director</i>	} participated
Mr Tay Beng Chai	<i>Independent Non-Executive Director</i>	} via
Madam Elsie Kok Yin Mei	<i>Independent Non-Executive Director</i>	} online
Mr Ooi Teik Huat	<i>Chief Financial Officer</i>	} streaming
Ms Phang Oy Lin	<i>Representing Ernst & Young PLT</i>	
Ms Chok Man Li		
Mr Bruce Chuang		

1. WELCOMING NOTE BY CHAIRMAN AND QUORUM

The Chairman welcomed all members and proxies to the Thirty-Third Annual General Meeting ("33rd AGM") of the Company. Following the Company Secretary's confirmation on the presence of the requisite quorum for convening the meeting pursuant to Article 82 of the Company's Constitution, the Chairman called the meeting to order.

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

2. VIRTUAL AGM AND POLL VOTING

The Chairman informed the meeting that the AGM was conducted via a virtual meeting, in line with the Securities Commission Malaysia Guidance and FAQs on the Conduct of General Meetings for Listed Issuers. The meeting was further informed that all the resolutions in the notice of 33rd AGM would be voted by poll, using the Remote Participation and Electronic Voting ("RPEV") Facilities. The Chairman informed that voting on the resolutions was opened at the commencement of the meeting and closed after all agenda items being addressed. It was noted that Boardroom Share Registrars Sdn. Bhd. ("Boardroom") was appointed as poll administrator for the electronic voting and Sky Corporate Services Sdn. Bhd. act as scrutineer to validate the voting results.

3. PRESENTATIONS BY FINANCIAL CONTROLLER AND CHIEF EXECUTIVE OFFICER

The Financial Controller presented the Group's financial highlights 2021 and the Chief Executive Officer, Mr Hor Weng Yew, presented the business highlights 2021 and outlook for 2022.

After the presentation, the Chairman informed that the Company have received questions from shareholders enquiring about the future plan for MBC Group, following the changes of substantial shareholders in the Company. Dato' Chin Yoke Kan responded that MBC would continue its existing line of business as owner and operator of vessels and will adopt the appropriate strategy to increase revenue and shareholders' value. He further added that any new business plan will be announced in due course.

The Chairman informed that the Company have considered shareholders' request for the e-vouchers and door gifts and decided to forego the practice this year. The Company will review the arrangement next year.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND THE REPORTS OF THE DIRECTORS AND AUDITORS ("AUDITED FINANCIAL STATEMENTS FOR FYE 2021")

The meeting noted that the Audited Financial Statements for FYE 2021 was tabled at the meeting pursuant to Section 340(1)(a) of the Companies Act 2016, and it was not required to be put to vote. The auditors' report was taken as read.

**5. ORDINARY RESOLUTION NO. 1
RE-ELECTION OF MR HOR WENG YEW PURSUANT TO ARTICLE 121 OF THE
COMPANY'S CONSTITUTION**

The Chairman informed that the re-election of Mr Hor Weng Yew who retired pursuant to Article 121 of the Company's Constitution has been withdrawn via an Addendum to the Notice of 33rd Annual General Meeting dated 19 May 2022. Hence, this resolution will not be put for voting, and Mr Hor Weng Yew will retire at the conclusion of the Annual General Meeting.

**6. ORDINARY RESOLUTION NO. 2
RE-APPOINTMENT OF MESSRS ERNST & YOUNG PLT AS AUDITORS AND
AUTHORITY FOR DIRECTORS TO FIX THEIR REMUNERATION**

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

Ordinary Resolution No. 2 to approve the re-appointment of Messrs Ernst & Young PLT and to authorise the Directors to fix their remuneration was put to vote.

**7. ORDINARY RESOLUTION NO. 3
PAYMENT OF DIRECTORS' FEES OF RM516,247 FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2021**

The Chairman informed that Ordinary Resolution No. 3 was to seek shareholders' approval for payment of Directors' fees of RM516,247 for the financial year ended 31 December 2021. It was noted that the basis for the payment of Directors' fees remain the same as financial year ended 31 December 2020.

Ordinary Resolution No. 3 to approve the payment of Directors' fees of RM516,247 for the financial year ended 31 December 2021 was put to vote.

**8. ORDINARY RESOLUTION NO. 4
PAYMENT OF MEETING ALLOWANCES TO THE DIRECTORS UP TO AN AMOUNT OF
RM94,000 FROM 1 JULY 2022 TO 30 JUNE 2023**

The Chairman informed that Ordinary Resolution No. 4 was to seek shareholders' approval for payment of meeting allowances of RM94,000 from 1 July 2022 to 30 June 2023. At the last AGM held on 17 May 2021, an amount of RM104,000 for the period from 1 July 2021 to 30 June 2022 was approved, and approximately RM37,500 was expected to be incurred up to 30 June 2022.

Ordinary Resolution No. 4 to approve the payment of meeting allowances of RM94,000 from 1 July 2022 to 30 June 2023 was put to vote.

**9. ORDINARY RESOLUTIONS NO. 5 AND 6
RE-ELECTION OF DATO' GOH CHENG HUAT AND DATO' CHIN YOKE KAN
PURSUANT TO ARTICLE 128 OF THE COMPANY'S CONSTITUTION**

The Chairman informed that Dato' Goh Cheng Huat and Dato' Chin Yoke Kan retired pursuant to Article 128 of the Company's Constitution and being eligible, had offered themselves for re-election. The Nomination & Remuneration Committee had carried out an assessment and recommended Dato' Goh Cheng Huat and Dato' Chin Yoke Kan for re-election as Directors.

- (i) Ordinary Resolution No. 5 to approve the re-election of Dato' Goh Cheng Huat was put to vote.
- (ii) Ordinary Resolution No. 6 to approve the re-election of Dato' Chin Yoke Kan was put to vote.

**10. ORDINARY RESOLUTION NO. 7
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE
COMPANIES ACT 2016**

The Chairman informed that Ordinary Resolution No. 7 was to seek shareholders' approval to authorise the Directors to allot and issue shares not exceeding 10% of the Company's issued shares pursuant to Sections 75 and 76 of the Companies Act 2016. The purpose of seeking this mandate is to avoid any delay and cost of convening a shareholders' meeting in the event the Company needs to issue new shares to fund identified opportunities.

Ordinary Resolution No. 7 to authorise the Directors to allot and issue shares was put to vote.

**11. ORDINARY RESOLUTION NO. 8
RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Chairman informed that Ordinary Resolution No. 8 was to seek shareholders' approval on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature, details as set out in Circular to Shareholders dated 29 April 2022. The Chairman further informed that the interested parties namely, Pacific Carriers Limited, Kuok (Singapore) Limited, PPB Group Berhad and Kuok Brothers Sdn Berhad together with the Interested Directors, namely Mr Hor Weng Yew, Mr Lim Soon Huat, and all persons connected to them would abstain from voting on this resolution.

Ordinary Resolution No. 8 to approve the renewal of shareholders' mandate was put to vote.

12. QUESTIONS AND ANSWER SESSION

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

The list of questions and answers is attached as Annexure A to the Minutes of 33rd AGM.

13. POLLING

Shareholders proceeded to conduct the remote voting for 7 resolutions tabled.

The Chairman declared the polling closed and adjourned the meeting at 2.50 p.m., for tabulation and verification of votes.

14. ANNOUNCEMENT OF RESULTS

The meeting resumed at 3.05 p.m.

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

	Voted For			Voted Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 2	409	329,393,544	99.7859	43	706,619	0.2141
Ordinary Resolution 3	337	329,133,739	99.8056	126	641,130	0.1944
Ordinary Resolution 4	325	329,101,789	99.7962	139	671,992	0.2038
Ordinary Resolution 5	399	329,990,764	99.9658	65	112,812	0.0342
Ordinary Resolution 6	400	329,987,654	99.9659	64	112,562	0.0341
Ordinary Resolution 7	396	329,848,603	99.8186	72	599,272	0.1814
Ordinary Resolution 8	404	165,422,093	99.9574	57	70,563	0.0426

15. ANY OTHER BUSINESS

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

16. CONCLUSION

There being no further business, the meeting concluded at 3.15 p.m.

Confirmed

CHAIRMAN

MALAYSIAN BULK CARRIERS BERHAD (MAYBULK)
33rd Annual General Meeting

Summary of Questions Received from Shareholders/Proxies and the Company's Summarised Responses

A. DIVESTMENT FROM KUOK AND BUSINESS OUTLOOK FOR 2022

- 1. Maybulk is left with 4 vessels (2 owned and 2 chartered in). What is Maybulk's business plans and future directions? Will Maybulk remain as a dry bulk carrier, or will the Group expand into new business segment with the entry of two new shareholders who are not in the logistics business?**

The Company's Response:

Maybulk will continue its existing line of business as owner and operator of drybulk vessels. We will adopt the appropriate strategies to increase revenue and shareholders' value. Any plans or new businesses will be announced in due course.

- 2. As Pacific Carriers Limited is no longer the major shareholder, will the Management be taken over by the new shareholders?**

The Company's Response:

The new shareholders will be appointing a new management team for the Company. On 18 May 2022, Mr Ooi Teik Huat has been appointed as the Chief Financial Officer of Maybulk.

- 3. Is it true that the major shareholder, PPB is cashing out their shares? Please explain and reply.**

The Company's Response:

PPB's position, would be taken separately by PPB's Board.

- 4. What is the business outlook in the next 6 months? Do Management see a softening of demand for the remainder of the year?**

The Company's Response:

The outlook for the shipping industry in the near term is still positive. There are challenges ahead with inflation, risks of recession and geopolitical tension that may have an impact to trade flows.

5. **Quite a number of countries ban the export of agricultural products and commodities, while the Ukraine war further disrupt the supply chain. Will this dampen the demand for dry bulk carriers?**

The Company's Response:

The disruption caused by the war in Ukraine has caused the loss of some grain commodities from that region but have also created alternative sourcing of these products

6. **Since 2008, Maybulk's share price peaked and went down for the next 14 years. Now, we are concerned of global growth slowdowns. However, it seems like even when times have been better, we underperform, and will underperform when growth slows. Can I seek your views, on what is the fundamental problem plaguing this industry for the last 14 years?**

The Company's Response:

Over supply of ships has been one of the main challenges of the industry in the last decade.

7. **Good to see some business and profit recovery from a long series of poor performance, but profitability seems to be declining fast again. To what extent is our company facing new disruptions to profitability going forward?**

The Company's Response:

The Company is operating a comparatively smaller fleet from the previous years which have an impact on financial performance. However, the generally positive freight market outlook in the near term would be accretive to earnings.

8. **How much has higher fuel costs, new greener regulations including low sulphur fuel usage, and labour/crew issues etc affect the Company's profit outlook and competitive position viz-a-viz our competitors?**

The Company's Response:

It is a level playing field with our competitors, as all face the same increase in fuel costs. Currently MBC is not unduly impacted by increase in fuel costs as most of our vessels are on time charters. Our owned Kamsarmax vessels are compliant with the EEXI regulations and hence no material modification is required unlike the older, less efficient vessels in the market.

With labour and crewing, we do not see any major impact to profit outlook as the issues such as crew change management and Covid safety protocols are suitably managed with crew vaccinations and compliance with Covid guidelines imposed by local jurisdictions.

- 9. How old are our ships and future capex requirements? Does the management plan to further dispose more vessels or are there plans to build new vessels?**

The Company's Response:

The Kamsarmax vessels are at an average age of 3.4 years. We do not have any current plans for the purchase of new ships or disposals.

B. COMMERCIAL AND FLEET OPERATIONS

- 1. What is the impact of the increase in oil and bunker fuel?**

The Company's Response:

We do not have exposure to rising bunker prices as 3 vessels are on time charters and one that is on a consecutive voyage charter has a Bunker Adjustment Factor (BAF) that compensates for volatile bunker prices.

- 2. FY2022 Q1 hire days dropped to 422 days from 444 days in FY2021. What are the reasons to the drop in hire days? What is the utilisation rate of our fleet in FY2022 Q1?**

The Company's Response:

The drop in hire days are due to the drydocking of one of our vessels in Q1 2022. Our utilisation rate is close to full 100% in Q1.

- 3. What routes do our ships normally ply? Do they ply near the Ukraine-Russia region? When there is congestion at the ports or disruption at the routes, normally who will bear the cost?**

The Company's Response:

Our ships trade globally. However, as a risk mitigation, we avoid trading our ships to Russian ports and keep the vessels out of the Black Sea.

When there is congestion at the ports, the risk is largely transferred to charterers on our chartered-out ships. For the vessel on consecutive voyage charters, this risk is managed through demurrage, where charterers are obliged to pay on failure to load or discharge the ship within the time agreed.

- 4. Why didn't Maybulk gain a huge benefit like Evergreen during the pandemic period?**

The Company's Response:

Maybulk operates in a different shipping segment and market to the Evergreen Group.

C. FINANCIALS

1. **How many vessels in our fleet are owned and leased? How long are the leasing tenures, and what are the leasing rates compared to the current spot rates? As of 31 December 2021, the right-of-use assets stands at RM55.034 million against lease liabilities of RM74.194 million. Does this suggest that the leased vessels rates are higher than spot rates?**

The Company's Response:

We have 2 owned vessels and 2 long term chartered-in vessels. The long term chartered-in vessels are expected to be redelivered back to the owners in 1H 2023. We are currently earning a reasonable margin on our leased vessels.

The lease liabilities balance as at 31 December 2021 is higher than the right-of-use assets, due mainly to a deferred lease payment that is payable upon redelivery of a chartered-in vessel back to the owner.

2. **Note 7 to the Audited Financial Statements. What caused the other staff related expenses to increase by RM3.271 million while the wages, salaries and bonus decrease by RM3.763 million?**

The Company's Response:

Covid 19 has resulted in the increase in operating cost especially on crew mustering and related travel cost. The decrease in wages, salaries and bonus was due to lower crew expenses from a smaller fleet size.

3. **Note 12 to the Audited Financial Statements. The vessels' net book value as at 31 December 2021 is RM335.873 million with the recoverable amount through fair value less cost of disposal higher than the carrying amount by RM42.372 million. However, the reversal of impairment loss on vessels is only RM3.086 million. Why are the vessels not reversed up to the recoverable amounts? Was the RM3.086 million the cumulative impairment loss that was available for reversal?**

The Company's Response:

We impaired the net book value of the vessels based on the assets in the balance sheet as at 31 December 2020. We have since then disposed of 3 vessels in 2021.

In accordance with the accounting standards, the reversal of impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. As such, the RM3.086 million is the cumulative impairment loss that was available for reversal.

- 4. Note 13 to the Audited Financial Statements. The net book value to the vessels' right-of-use asset is RM54.729 million whilst the recoverable amount is RM58.414 million. Why are the vessels right-of-use assets not reversed up to the recoverable amount? Was the RM11.747 million being the cumulative impairment loss that was available for reversal?**

The Company's Response:

In accordance with the accounting standards, the reversal of impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. As such, the RM11.747 million is the cumulative impairment loss that was available for reversal.

- 5. The net profit margin in Q1 2022 decreased compared to preceding quarters. Why is that so? Are there any planned mergers with other companies?**

The Company's Response:

With reference to the Q1 results that was announced, the Q1 2022 net profit margin dropped due mainly to the decrease in charter rates from US\$21,857 per day in Q4 2021 to US\$18,395 per day in Q1 2022. The charter rates softened with the volatile market conditions compounded by the Ukraine/Russia conflict and economic sanctions that caused disruptions to the commodity trade flows.

There are no planned mergers with any company.

- 6. When will the Company resume the payment of dividends to the shareholders?**

The Company's Response:

The Board will need to review and consider the capex and operation needs before declaring any dividends.

- 7. Cash was RM189 million for FYE December 2021. In Q1 2022, the cash balance was only RM47 million. What are the reasons for the big drop? The repayment of borrowings was only RM66 million.**

The Company's Response:

The cash balance including short term deposits as at 31 December 2021 totalled RM207.174 million. With the repayment of borrowings of RM66 million and net cash from operations in Q1 2022, the cash balance including short term deposits as at 31 March 2022 is RM156.493 million.

D. CORPORATE MATTERS

1. Refer to Note 33 – Significant Subsequent Event: The Group signed a MoU on 18 March 2022 to dispose off a vessel at net consideration of approximately RM158 million. Refer to Q1 FY2022 results announcement, item B1 that 1 vessel (out of the 5 vessels held) was subsequently disposed of on 4 May 2022.
 - a. Could the Board/ Management please provide more details on the disposal transaction such as the one-off gain/(loss) on disposal and the impact to the Group's revenue and profit level for the current financial year.
 - b. Noticed this asset disposal transaction was not disclosed in Bursa announcement since 18 March 2022 until completion. I would like to seek clarification from the Board as to why this asset disposal transaction was not with immediate public disclosure according to MMLR 9.03 and MMLR 9.04(h)?

The Company's Response:

- a) As the transaction took place in May 2022, we will share more on the details to the disposal of Alam Kukuh when we announce the Q2 2022 results.
- b) The disposal of vessels by Maybulk was considered to be carried out in the ordinary course of business and was not regarded as a "transaction" for the purpose of Chapter 10 of the Main Market Listing Requirements.

2. Can I get a printed copy of the Annual Report?

The Company's Response:

Please refer to the form on request for hard copy of Annual Report which is available on the Company's website at www.maybulk.com.my.

E. AGM ADMINISTRATION

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

The Company's Response:

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

2. How much does the Company spend on this virtual AGM?

The Company's Response:

The total cost for fully virtual AGM is lower than holding a physical AGM. The fee quote is comparable for the services provided.