



Maybulk Berhad

(Formerly known as Malaysian Bulk Carriers Berhad)

Registration No. 198801008597 (175953-W)

2023

ANNUAL REPORT





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Proxy Form

FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	2019
FINANCIAL RESULTS (RM'000)					
Revenue	128,210	154,779	207,044	175,986	257,993
Gross profit/(loss)	27,176	47,747	93,010	(3,592)	32,001
EBITDA #	54,412	146,769	231,285	88,577	99,078
Profit/(loss) before taxation	52,754	93,294	195,381	(20,679)	(6,099)
Profit/(loss) attributable to equity holders of the Company	49,646	93,181	195,245	(20,781)	(7,319)
BALANCE SHEET (RM'000)					
Total assets	536,929	639,266	627,623	652,146	957,268
Total liabilities	14,621	152,214	158,601	377,893	602,438
Cash and cash equivalents	311,206	379,299	207,174	38,886	79,480
Borrowings	802	–	65,908	237,344	356,839
Lease liabilities	631	33,111	74,194	111,849	204,941
Net debt (exclude lease liabilities)	n/a	n/a	n/a	198,458	277,359
Shareholders' equity	522,308	487,052	469,022	274,253	354,830
SHARE INFORMATION (sen)					
Per share					
Basic earnings/(loss)	4.96	9.32	19.52	(2.08)	(0.73)
Dividend	1.50	10.00	–	–	–
Net assets	52.23	48.71	46.90	27.43	35.48
Share price as at 31 December	31.0	36.0	52.5	54.0	55.0
Market capitalisation (RM'million)	310	360	525	540	550
KEY RATIOS (%)					
Dividend payout ratio	30.2%	107.3%	0.0%	0.0%	0.0%
Return on average equity	9.8%	19.5%	52.5%	(6.6%)	(2.0%)
Gearing ratio	0.3%	6.8%	29.9%	127.3%	158.3%
Net debt/equity ratio	n/a	n/a	n/a	72.4%	78.2%
FLEET DATA *					
Number of vessels (at end of year)	1	4	5	10	14
Total tonnage in DWT (MT'000)	85	258	340	555	795
Average age of fleet (in years)	4.7	7.1	5.5	5.6	6.0
Total operating days (days)	777	1,584	2,511	4,229	5,615
Total hire days (days)	756	1,537	2,372	4,103	5,375
Daily Time Charter Equivalent Rate:					
– Dry bulk carriers (USD)	15,344	18,886	18,092	8,676	10,010

Note :

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

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

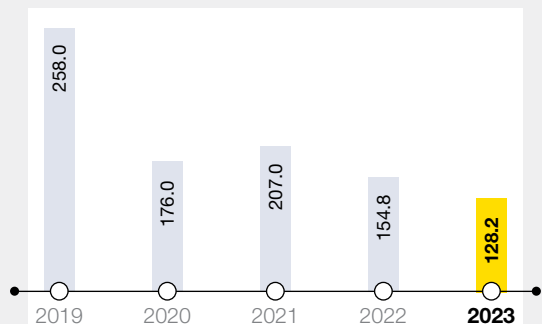


FINANCIAL HIGHLIGHTS

(CONTINUED)

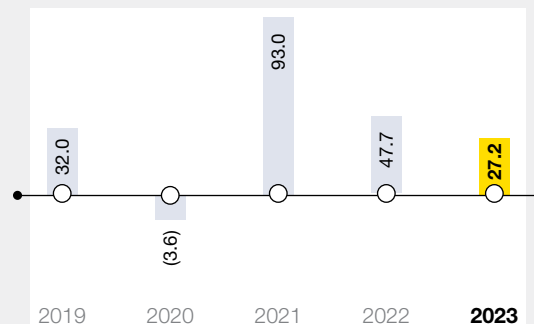
Revenue

RM'million



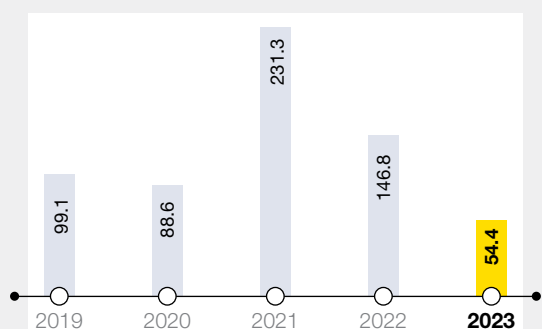
Gross profit/(loss)

RM'million



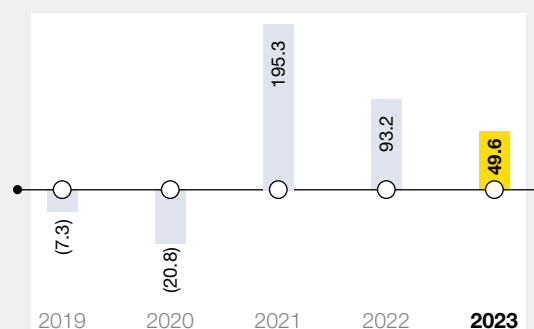
EBITDA

RM'million



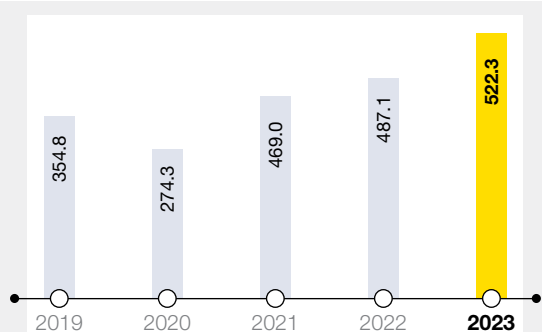
Attributable Profit/(Loss)

RM'million



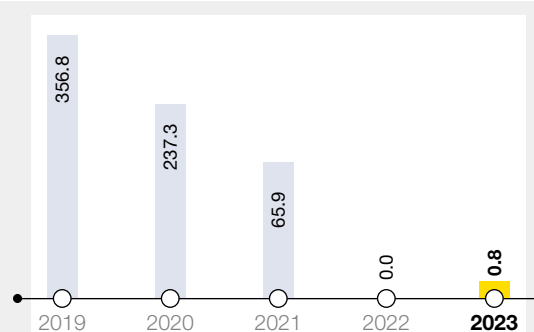
Shareholders' Equity

RM'million



Borrowings

RM'million



MANAGEMENT DISCUSSION AND ANALYSIS



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

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

The MD&A should be read in conjunction with the audited financial statements of the Group and of the Company for FY2023.

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

This Management Discussion and Analysis ("MD&A") is prepared by the Management of Maybulk Berhad (formerly known as Malaysian Bulk Carriers Berhad) ("the Company") and its subsidiaries ("the Group") to provide an analysis on the financial performance for the financial year ended 31 December 2023 ("FY2023"). It contains the Management's review on the overall performance of the Group and of the Company, key business strategies, anticipated and known risks and prospects of the Group.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

OVERVIEW

In FY2023, the Group undertook a series of activities to right-size its shipping bulker business, diversify into shelving and storage solution business, diversify into industrial property business. These steps enable the Group to reduce its dependency on shipping bulker business and diversify its earning streams.

During the year, the Group also reorganised its equity structure via capital reduction exercise. Consequently, the share capital of the Group was reduced by RM275.0 million with corresponding entries booked in the retained earnings account.

In addition, the Group reviewed its accounting treatment in relation to the recognition of translation gains when translating financial statements denominated in United States Dollars ("USD"). As a results, part of translation gains recognised in the previous financial years as foreign currency translation reserves were transferred to retained earnings as prior year adjustments.

FINANCIAL REVIEW

Summary of the Group's financial performance for FY2023 as compared to the financial year ended 31 December 2022 ("FY2022") were as follows:

	2023 RM'000	2022 RM'000	Variance RM'000
Revenue	128,210	154,779	(26,569)
Gross profit	27,176	47,747	(20,571)
Profit before tax and exceptional items	17,471	41,421	(23,950)
Exceptional items:			
i) Gain on disposal of property, plant and equipment	25,342	50,058	(24,716)
ii) Intangible assets written off	-	(181)	181
iii) Gain on liquidation/disposal of subsidiaries	9,941	1,996	7,945
	35,283	51,873	(16,590)
Profit before tax	52,754	93,294	(40,540)
Total assets	536,929	639,266	(102,337)
Shareholders' equity	522,308	487,052	35,256
Total borrowings	802	-	802
Cash and cash equivalents	311,206	379,299	(68,093)
Net assets per share (RM)	0.52	0.49	0.03
Earnings per share (Sen)	4.96	9.32	(4.36)
Debt/Equity ratio (times)	0.002	-	0.002

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

FINANCIAL REVIEW (CONT'D)

Shipping Bulkers Business

In FY2023, the Group disposed of Alam Kekal and opted against renewal of lease for Alam Sayang when the lease terms expired.

As at the date of this report, the Group operates the following vessel:

Vessel Name	Category	Year Built	DWT (MT)
<u>Owned vessel</u> Alam Kuasa	Kamsarmax	April 2019	85,020

The financial performance of Shipping Bulkers Business is as follows:

	2023 RM'000	2022 RM'000	Variance RM'000
Revenue	71,350	154,465	(83,115)
Gross Profit	17,309	48,627	(31,318)
Other operating income, net	2,028	1,726	302
Administration expenses	(760)	(1,402)	642
Finance costs	(446)	(3,740)	3,294
Profit before tax and exceptional items	18,131	45,211	(27,080)
Exceptional items:			
Gain on disposal of property, plant and equipment	25,342	50,058	(24,716)
	25,342	50,058	(24,716)
Profit before tax	43,473	95,269	(51,796)
Taxation	(258)	(48)	(210)
Profit after tax	43,215	95,221	(52,006)

Shipping Bulkers Business contributed lower revenue of RM71.350 million (FY 2022: RM154.465 million) and lower gross profit of RM17.309 million (FY 2022: RM48.627 million). The decline in revenue is due to lower hire days in FY 2023 on account of a smaller fleet size and a 19% decrease in average charter rates compared to FY 2022. The Group had returned both chartered-in vessels, Alam Suria and Alam Sayang and disposed of Alam Kekal in FY 2023.

The table below summarises the average time charter equivalent (TCE) and hire days for MBC Fleet.

	Average TCE/day		Hire Days	
	Jan-Dec 2023 (USD)	Jan-Dec 2022 (USD)	Jan-Dec 2023 (Days)	Jan-Dec 2022 (Days)
Dry Bulk Fleet	15,344	18,886	756	1,537



MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

FINANCIAL REVIEW (CONT'D)

Shipping Bulkers Business (Cont'd)

Interest expenses decreased by 88% to RM0.446 million (FY 2022: RM3.740 million) mainly due to lower borrowing cost following the settlement of loans and reduced lease liabilities with the redelivery of 2 chartered-in vessels in January and in May 2023.

The FY 2023 result included a gain on disposal of vessel of RM25.342 million arising from the disposal of Alam Kekal. In FY 2022, the gain on disposal of vessel of RM50.058 million was in respect of disposal of Alam Kukuh.

The segment reported a profit before tax of RM43.473 million in FY 2023, a decrease of RM51.796 million compared to RM95.269 million in FY2022.

Profit from Shipping Bulkers Business qualifies for tax exemptions under Malaysian Income Tax (Exemption) (No.7) Order 2022 and Section 13A of the Singapore Income Tax Act. The tax expenses is attributable to tax in respect of income from other sources.

Shelving and Storage Solution Business

During the year the Group expanded its operations into the shelving and storage solutions industry through the acquisition of a new subsidiary, EMT Systems Sdn. Bhd. ("EMTS") for RM70 million. Additionally, the Group further subscribed for an additional 2,000,000 ordinary shares in EMTS for a total cash consideration of RM2,000,000. The principal activities EMTS is engaged in supply, design, consult and installation work of racking and shelving products.

A goodwill on consolidation amounted to RM60.2 million arising from the acquisition had been recognised in the financial statements.

EMTS mainly serves customers in Malaysia, and about 30% of its revenue for the financial year 2023 came from export sales.

Contribution from Shelving and Storage Solution Business from the date the acquisition was completed is as follows:

	2023 RM'000
Revenue	56,860
Gross Profit	10,950
Other operating income, net	326
Administration expenses	(2,667)
Finance costs	(166)
Profit before tax	8,443
Taxation	(2,122)
Profit after tax	6,321

In 2023, EMTS achieved a revenue of RM56.860 million and a gross profit of RM10.950 million, with a gross profit margin of 19%. After deducting other operating expenses, administration expenses, and finance costs, the profit before tax amounted to RM8.443 million.

On a full year basis, EMTS registered a profit after taxation of RM6.134 million, in line with the profit guarantee given by the vendor for FY2023.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

FINANCIAL REVIEW (CONT'D)

Industrial Property Business

During the year, the Company entered into a Conditional Share Subscription Agreement (“SSA”) with Golden Valley Ventures Sdn. Bhd. (“GVV”), a related party, for the subscription of new ordinary shares in MBC Logistic Hub Sdn. Bhd. (“MBCLH”) where MBCLH became 60% subsidiary of the Company while GVV hold the remaining 40% equity interest.

MBCLH entered into a Conditional Sale and Purchase Agreement (“SPA”) with Kapar Land Sdn. Bhd. (“KLSB”), a related party, to acquire a piece of freehold land known as Lot PT85116, Mukim of Kapar, Daerah Klang, Selangor for a total consideration of RM165.0 million.

Both agreements were approved by the shareholders on 6 December 2023. This marked the Group’s first foray into industrial property business.

Subsequent to year end, the terms of the SSA was fulfilled when the Company and GVV subscribed for 59,999 shares and 40,000 shares in MBCLH respectively.

The SPA has also become unconditional on 8 January 2024.

Investment Holding & Others Business

The financial performance of Investment Holding & Others Business is as follows:

	2023 RM'000	2022 RM'000	Variance RM'000
Net operating expenses	(1,083)	(881)	(202)
Unrealised foreign exchange (loss)/gain	(11,990)	4,820	(16,810)
Realised foreign exchange gain/(loss)	5,084	(5,867)	10,951
Other operating income, net	6,080	4,896	1,184
Administration expenses	(7,194)	(6,752)	(442)
Finance costs	–	(6)	6
Loss before tax and exceptional items	(9,103)	(3,790)	(5,313)
Exceptional items:			
Write off of intangible assets	–	(181)	181
Gain on liquidation of subsidiaries	9,941	1,996	7,945
	9,941	1,815	8,126
Profit/(loss) before tax	838	(1,975)	2,813
Taxation	(728)	(65)	(663)
Profit/(loss) after tax	110	(2,040)	2,150



MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

FINANCIAL REVIEW (CONT'D)

Investment Holding & Others Business (Cont'd)

This segment incurred unrealised foreign exchange losses of RM11.990 million (FY 2022: unrealised foreign exchange gain of RM 4.820 million) mainly arising from the translation of Ringgit denominated cash balances to USD which is the functional currency of the Group following the weakening of Ringgit against USD. This was partially offset by realised foreign exchange gain of RM 5.084 million (FY 2022: realised foreign exchange loss of RM 5.867 million) arising from the actual conversion of USD cash balances to MYR for daily operation.

Other operating income mainly arising from interest income of RM 6.061 million (FY 2022: RM4.588 million) generated from interest bearing current account and fixed deposits.

The FY 2023 result included gains on liquidation of subsidiaries arising from the transfer of cumulative foreign exchange differences relating to these entities from equity to profit or loss upon liquidation.

The segment reported a profit before tax of RM0.838 million in FY 2023, an improvement of RM2.813 million compared to a loss before tax of RM1.975 million in FY2022.

CASHFLOWS AND BORROWINGS

The Group continues to manage its liquidity prudently, with a positive net cash inflow of RM9.059 million generated from its operating activities as well as net cash inflow of RM77.991 million generated from its investing activities mainly from proceeds from disposal of a vessel.

The Group had paid up a total of RM115.0 million as dividend to its shareholders during the year, and invested a net cash of RM63.433 million on EMTS.

The cash and cash equivalents at end FY2023 were RM311.206 million of which RM165.549 million were placed in short-term deposits and investments to earn interest and dividend income.

EQUITY

Total equity as at 31 December 2023 stood at RM522.308 million from RM487.052 million in FY2022. The increase in total equity was mainly attributable to profit earned in FY2023. This was offset by dividend declared.

The net assets per share as at 31 December 2023 amounted to RM0.52.

During the year, the Group also reorganised its equity structure via capital reduction exercise which was approved by the shareholders on 15 June 2023 and the relevant authorities on 18 August 2023. Consequently, the share capital of the Group was reduced by RM275.0 million with corresponding credit booked in the retained earnings account.

In addition, the Group reviewed its accounting treatment in relation to the recognition of translation gains when translating financial statements denominated in USD. As a result, foreign currency exchange reserves attributable to cash utilised to pay dividend in previous financial years were identified and reversed from foreign currency reserve accounts into retained earnings.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

EQUITY (CONT'D)

The reconciliation for foreign currency reserve and retained earnings are as follows:

	Foreign currency translation reserve RM'000	Retained Earnings RM'000
As at 31/12/2021 previously stated	118,881	11,302
Reversal of reserve relating to dividend paid from financial years ended 31 December 2011-2015	(14,137)	14,137
As at 1/1/2022 (restated)	104,744	25,439
Movement in FY2022 as previously stated	24,897	(6,819)
Reversal of reserve upon dividend declared for FY2022	(62,130)	62,130
As at 31/12/2022 (restated)	67,511	80,750

DIVIDENDS

On 5 January 2023, the Group had paid two interim single-tier special dividend of 6.5 sen and 3.5 sen per ordinary share, amounting to RM65 million and RM35 million respectively for the financial year ended 31 December 2022.

During the year, the Group declared a first interim single-tier dividend of 1.5 sen per ordinary share amounting to RM15 million for FY2023. The dividends were paid on 4 December 2023.

KEY OPERATIONS AND FINANCIAL RISKS

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

Customer concentration risks

For Shipping Bulkers Segment, the Group has entered into a long-term contract with its key customer which has effectively locked-in the charter rate for its only vessel, thus there will be only 1 customer for this segment.

For Shelving and Storage Solutions Segment, there are two customers who contributed more than 10% of sales generated by this division.

The Group strives to expand the customer base to manage customer concentration risk in this segment.

Supplier concentration risks

For Shelving and Storage Solutions Segment, more than 90% of total purchase was supplied by two suppliers from the same group of companies.

The Group strives to expand the supplier base to manage supplier concentration risk in this segment.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

KEY OPERATIONS AND FINANCIAL RISKS (CONT'D)

Credit risks

For Shipping Bulkers segment, the payment term for our customer is due 30 days after the loading of cargo.

For Shelving and Storage Solutions Segment, it is an industrial norm to sell the products on credit terms. Usually credit terms of between 14 days to 90 days are granted to the customers, subject to a credit evaluation process.

As at FY2023, the Group has high concentration of credit risk in the form of outstanding balances due from 2 customers, representing 49% of the Group's trade receivables.

The management reviews the credit terms and limit granted to each customer annually and ageing reports are reviewed monthly to identify potential slow paying customers so that appropriate actions can be taken to recover those debts.

Evaluation on expected credit loss is made at each financial year end to ensure adequate allowance has been made for potential doubtful debts.

Regulatory risks

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

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

For export sales of Shelving and Storage Solutions Segment, the Group would need to comply with the local authority's regulations of the country of its foreign customers.

Environmental and sustainability risks

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

Cyber risks

The evolution of cybercrime and cyber-threats due to the acceleration in digital technologies and infrastructure pose a great challenge to the Group's information system.

The Group take accountability to manage the growing threat of cyber-attacks including protecting data related to our stakeholders and business information. The following measures have been taken:

- Installation of Firewall, Anti-Spam and Antivirus applications and keep systems up to date with the latest patches to ensure proper functionality;
- Monitoring Antivirus status for all users' computers/notebooks to ensure the devices are secured and free of risk from any cyber-attack;
- Internet Security Awareness talk to create awareness on mobile banking attack via fake application.
- constantly and proactively deployed anti-malware and cyber security solutions on board its owned vessels and ensured compliance to IMO 2021 Maritime Cyber Risk Management Regulations.

Fluctuations in charter rates

The charter rates for dry bulk business is dependent upon the demand and supply of commodity items such as coal, grains, iron ore and other commodity and the supply of shipping capacity in the global market.

With the disposal of Alam Kekal during the year, the Group has eliminated this risk.

The Group has previously entered into long term Contract of Affreightment with fixed freight rate for Alam Kuasa, the remaining vessel in the Group.

Fluctuations in foreign currency exchange rate

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

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

KEY OPERATIONS AND FINANCIAL RISKS (CONT'D)

Interest rate risks

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

With the Group's venturing into industrial property business, the Group may incur borrowings in the future to finance the purchase of land and construction of warehouses. The Group may be exposed to interest rate risks, in the event the borrowings obtained is subject to floating interest rate.

Joint Venture and Investment risks

The Group entered into a SSA with GVV and a SPA with KLSB to acquire a piece of freehold industrial land in Mukim of Kapar, Daerah Klang, Selangor. The Group intends to enter into industrial property business upon completion of the SSA and the SPA.

The Group has also secured banking facility to finance the development on the freehold industrial land.

Nevertheless, there is no guarantee that the joint venture and investment will generate adequate returns to the Group.

CORPORATE EXERCISES

The Group undertook the following corporate exercises during the year:

(a) Capital Reduction

On 16 May 2023, the Company proposed to undertake a reduction of the issued share capital of the Company pursuant to Section 116 of the Companies Act 2016 ("Capital Reduction"). The Capital Reduction exercise was carried out after the Company had received approval from shareholders, sanction from the Court and confirmation by Suruhanjaya Syarikat Malaysia. Consequently, the share capital of the Company was reduced from RM338,791,327.42 to RM63,791,327.42 comprising 1,000,000,000 shares.

The Capital Reduction entails the cancellation of the issued share capital amounted to RM275.0 million which is lost or unrepresented by available assets.

The credit arising from the Capital Reduction was set off against the accumulated losses of the Company while the balance, was credited to the retained earnings of the Company.

(b) On 20 June 2023, the Company proposed to obtain shareholders' mandate for the disposal of Alam Kekal, a bulk carrier, owned 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.

Upon securing shareholders' approval, the Company entered into a memorandum of agreement with a third party for the disposal of Alam Kekal for a cash consideration of JPY4.430 billion (equivalent to approximately RM140.062 million on date of disposal). The disposal was completed on 16 October 2023.

(c) Acquisition of Land, Joint Venture and Diversification

On 29 August 2023,

- i. MBCLH, a wholly-owned subsidiary of the Company, entered into a SPA with KLSB to acquire a parcel of freehold land measuring approximately 23.48 hectares located in Mukim Kapar, Daerah Klang, Negeri Selangor for a total cash consideration of RM165 million ("Acquisition of Land").
- ii. the Company entered into a SSA with GVV for the subscription of new ordinary shares in MBCLH, where the Company and GVVS shall respectively hold 60% and 40% equity interest in MBCLH ("Joint Venture").
- iii. the Group proposes to undertake the diversification of the existing business of the Group to include the business of industrial property development and investment ("Diversification").

On 6 December 2023, the Company obtained approval from the Shareholders for the Acquisition of Land, Joint Venture and Diversification.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

CORPORATE EXERCISES (CONT'D)

- (c) Acquisition of Land, Joint Venture and Diversification (Cont'd)

On 8 January 2024, the conditions precedent of SPA and SSA have been fulfilled. Accordingly, the SPA for Acquisition and SSA for Joint Venture have become unconditional.

Accordingly, the Company subscribed for 59,999 new ordinary shares in MBCLH on 8 January 2024. Consequently, MBCLH became a 60%-owned subsidiary of the Company while GVWSB holds the remaining 40% equity interests in MBCLH.

- (d) On 1 September 2023, the Company proposed to change its name from "Malaysian Bulk Carriers Berhad" to "Maybulk Berhad".

The Company obtained approval from the Shareholders on 6 December 2023.

Accordingly, the name of the Company was changed from "Malaysian Bulk Carriers Berhad" to "Maybulk Berhad" with effect from 13 December 2023.

SUBSEQUENT EVENT

On 27 March 2024, the Company is proposing to undertake the following:

- i. to seek the approval of its shareholders for the mandate to purchase its own ordinary shares for an aggregate amount of up to 10% of the issued share capital at any point in time ("Proposed Share Buy-Back Authority"); and
- ii. a proposed exemption pursuant to subparagraph 4.15(1) of the Rules on Take-Overs, Mergers and Compulsory Acquisition issued by the Securities Commission Malaysia ("SC") to Dato' Goh Cheng Huat, a Director and major shareholder of the Company and his person(s) acting in concert from the obligation to undertake a mandatory take-over offer for all the remaining Maybulk Shares not already owned by them arising from the purchase by Maybulk of its own Shares pursuant to the Proposed Share Buy-Back Authority ("Proposed Exemption").

Collectively referred to as the "Proposals".

The Proposals are subject to the following approvals being obtained:

- i. the shareholders of Maybulk for the Proposals at the forthcoming EGM to be convened;
- ii. the SC for the Proposed Exemption; and
- iii. the approval of any other relevant authorities, if required.

PROSPECT

- (a) Shipping Bulkers Segment

Revenue and profit from the shipping bulkers segment is expected to be more stable in 2024 as the only remaining vessel, Alam Kuasa, is under long-term contract at fixed contracted rate subject to bunker price adjustments and will not be affected by open market charter rate volatility. Q1 2024 results, however, would be affected by dry docking of the vessel for scheduled maintenance.

- (b) Shelving and Storage Solutions Segment

Demand for shelving and storage solution in the industrial sector is expected to remain positive with the increase in demand for industrial properties as evident by launches of new industrial parks in the country, driven by interests from foreign investors. The Group will also focus on expanding its higher margin gondola shelving product range in the retail and commercial sector, targeting amongst others, the rapid growing pharmacy chain stores in Malaysia.

- (c) Warehousing Segment

No revenue is expected from the warehouse segment which will be in the pre-operating and construction phase in 2024. While financing cost will be capitalised during the construction phase, the 2024 results will be affected by loan documentation fee and pre-operating expenses incurred.

Following shareholders' approval of the Proposed Diversification in December 2023, the Group will continue to look for opportunities in its diversification into industrial property development and investment and growing its shelving and storage solutions business with product range and geographical expansion.

SUSTAINABILITY STATEMENT

The Board of Directors (“the Board”) of Maybulk Berhad (formerly known as Malaysian Bulk Carriers Berhad) (“Maybulk” or “the Company”) is pleased to present the Sustainability Statement of the Company and its subsidiaries (“the Group”) for the financial year ended 31 December 2023 (“FY2023”).

The aim of this Statement is to communicate and emphasise our corporate commitment to a balanced integration of environment, social and governance (“ESG”) factors into Maybulk business practices and how we manage and monitor those sustainability matters that are material to our stakeholders. As we move forward, Maybulk will continue to embed sustainability decision making into our business and generate value for our stakeholders and ensure business continuity in a sustainable future.

STATEMENT OF ASSURANCE

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement has been subjected to an internal review by the company’s internal auditors and has been approved by the Company’s Audit and Risk Management Committee.

Subject Matters covered as per the performance date table enclosed in this report.

REPORTING STANDARD AND SCOPE

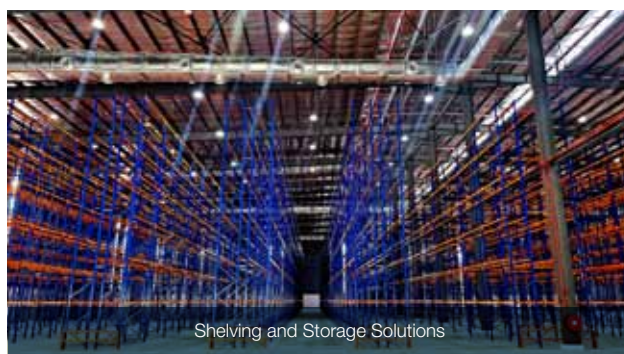
This Sustainability Statement (“Statement”) provides an overview of the Group’s annual sustainability matter and is prepared in accordance with the guidelines and framework outlined below:

- (i) Principal Guidelines of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)
 - Main Market Listing Requirements in relation to enhanced sustainability reporting framework;
 - Sustainability Reporting Guide (3rd Edition) 2022.
- (ii) Additional Guidelines/Reference
 - Malaysian Code of Corporate Governance (“MCCG”);
 - Global Reporting Initiative Standard (GRI Standards);
 - United Nations Sustainable Development Goals (“UNSDGs”).

This Statement discloses the Group’s significant and active operating units for the reporting period from 1 January 2023 to 31 December 2023, unless otherwise stated. This year the Group added a newly acquired subsidiary, EMT Systems Sdn. Bhd. The scope of this Statement covers the Group’s main business located in Malaysia with significant revenue contribution including the dry bulk shipping operations on the vessels that we own.



Shipping Bulker



Shelving and Storage Solutions



SUSTAINABILITY STATEMENT

(CONTINUED)

FY2023 AT A GLANCE

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none">• Zero non-compliance cases with environmental regulatory requirements.• Environmentally friendly green vessel equipped with approved Ballast Water Treatment System.• The use of solar lights, and eco-friendly air-conditioners for energy management.• 3Rs Concept (Reduce, Reuse and Recycle) is being practiced across the Group.	<ul style="list-style-type: none">• Zero fatality and Lost Time Injury Frequency• Internal safety briefing to all employees in the warehouse and continuous safety campaigns on board our ship.• Annual Emergency Response Drill was held on board Alam Kuasa to ensure crew familiarise with their roles and protocols outlined in the Emergency Response Manual.• RM49,125 was incurred on training for career development of our employees and seafarers.• Townhall meetings to encourage employee engagement and briefing of various corporate policies.	<ul style="list-style-type: none">• Zero violation on Anti-Bribery and Anti-Corruption Policy• Zero complaints received via Whistle-Blowing channels.• Financial sustainability initiatives:<ul style="list-style-type: none">• Sale of vessel to reduce impact of market volatility in charter rate on the performance of the Group.• Acquisition of 100% owned subsidiary engaged in Shelving and Storage Solutions business for diversification and shareholders' value creation.• Acquisition of 23.48 hectares freehold land in Mukim Kapar via a 60:40 joint-venture arrangement for diversification into warehousing business, to strengthen business operations and generate recurring rental income.• Capital Reduction Exercise to improve the ability to declare and pay dividend in the future and enhance credibility with its stakeholders.

SUSTAINABILITY STATEMENT

(CONTINUED)

OUR SUSTAINABILITY APPROACH

The Group is committed to consistently promote sustainability and we believe that propelling our business operations towards sustainability will better position us in managing our risks and opportunities to ensure our business are sustainable.

The Group sustainability approach remains focused on the key pillars encompassing environment, social and governance (“ESG”) that enables us to create sustainable value for all stakeholders and position ourselves with a strong commitment to both financial and non-financial aspects of our business.

Sustainability Governance

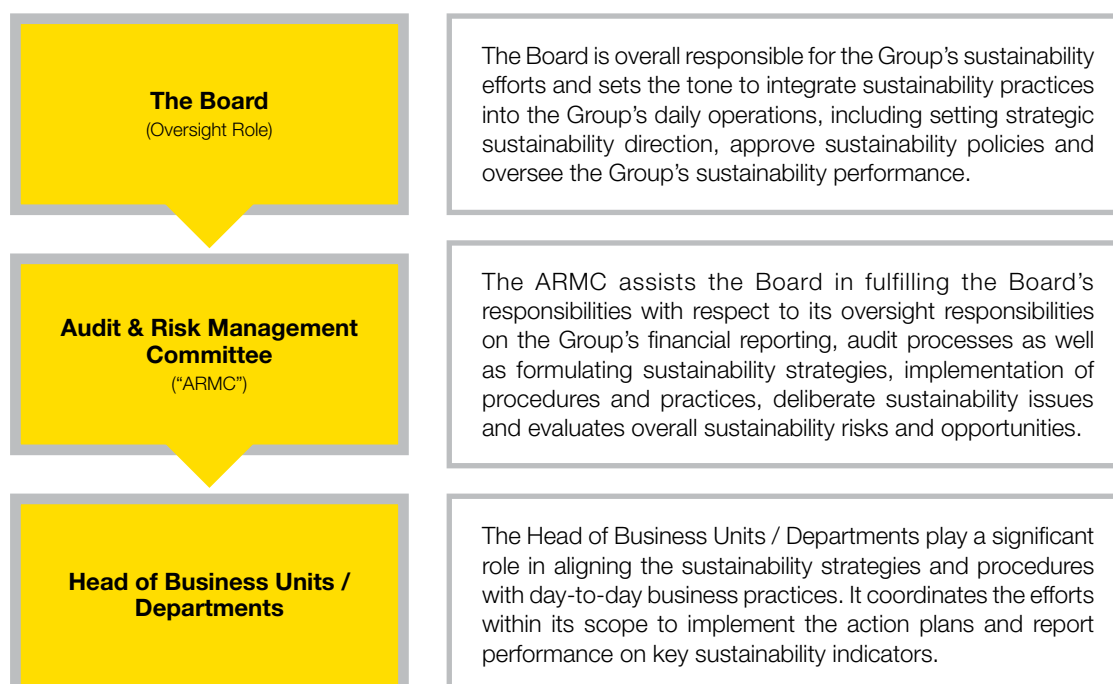
The Board is the highest governing in the Group, responsible for overseeing the conduct of the Group’s business operations, financial and sustainability performance. The Board plays a vital role in integrating sustainability goals into our business decision making processes and ensure sustainability strategies, targets and performance are communicated to both internal and external stakeholders.

The Board is committed to achieve the business objective while delivering sustainable value to all stakeholders and to uphold to this commitment, the Group has put in place policies and procedures that enhance corporate governance and accountability.

- Anti-Bribery and Anti-Corruption policy
- Whistleblowing policy
- Code of Ethics and Conduct
- Directors’ Fit and Proper policy
- Remuneration policy
- Employees’ Handbook

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

Our Sustainability Governance Structure



**SUSTAINABILITY STATEMENT**

(CONTINUED)



OUR SUSTAINABILITY APPROACH (CONT'D)**Materiality Assessment**

Our Board aims to be equipped with the necessary knowledge regarding the management of sustainability, including climate-related risks and opportunities required by attending ESG-related programmes conducted by Bursa such as the Mandatory Accreditation Programme Part II on sustainability, a new mandatory onboarding programme by Bursa Malaysia which requires Directors to complete by 1 August 2025.

Stakeholders' Engagement

The Group recognises that stakeholders' engagement and their feedback are an integral part of its sustainability strategy and initiatives. The Group endeavours to maintain an open and transparent channel of communication with its stakeholders. We consistently engage with our stakeholders through formal and informal approaches, using multiple channels on a regular basis.

In 2023, we conducted a materiality analysis exercise and stakeholder engagement to identify and evaluate the sustainability matters that are material and of importance to the Group. We strive to improve our stakeholders' engagement approach by identifying the sustainability stakeholders as follows:





Key Stakeholders	Stakeholders' Interest	Mode of Engagement	Frequency	Engagement Objectives
Shareholders/ Investors 	<ul style="list-style-type: none"> Business strategy Growth and return Dividend Protection of assets value Compliance and governance 	<ul style="list-style-type: none"> Quarterly reports Annual report Bursa announcement Corporate website General Meeting 	<ul style="list-style-type: none"> Annually Quarterly As required 	<ul style="list-style-type: none"> To enable shareholders to make informed decision on their investment in the Company's shares To safeguard shareholders'/ investors interest
Employees 	<ul style="list-style-type: none"> Business strategy & direction Competitive remuneration and benefits Development and opportunities Well-being, health and safety Human rights and fair employment practices 	<ul style="list-style-type: none"> Learning and development programs Internal communication via email and memo Performance evaluations Employee engagement Staff townhall meetings Survey and feedback 	<ul style="list-style-type: none"> Annually On-going 	<ul style="list-style-type: none"> To ensure a safe and conducive working environment for employee To retain and attract talented employees

SUSTAINABILITY STATEMENT

(CONTINUED)

OUR SUSTAINABILITY APPROACH (CONT'D)

Stakeholders' Engagement (cont'd)

Key Stakeholders	Stakeholders' Interest	Mode of Engagement	Frequency	Engagement Objectives
Customers 	<ul style="list-style-type: none"> Product quality, safety and pricing Timely delivery Good governance practices Sustaining long-term relationship Carbon emission and safety Cybersecurity and data privacy Regulatory compliance 	<ul style="list-style-type: none"> Surveys and feedback Corporate website Communicate through emails / meetings Operational meetings Site visits 	<ul style="list-style-type: none"> Annually On-going As required 	<ul style="list-style-type: none"> To meet customers' satisfaction and requirements To build long-term sustainable relationships with customers
Business partners 	<ul style="list-style-type: none"> Operational and environmental matters Quality, reliability and pricing of products Sustainable and fair practices 	<ul style="list-style-type: none"> Surveys and feedback Meetings Networking sessions Transparent procurement process 	<ul style="list-style-type: none"> Annually On-going As required 	<ul style="list-style-type: none"> To drive sustainability across the supply chain To build long-term sustainable relationships with business partners
Bankers and Financial Institutions 	<ul style="list-style-type: none"> Business ethics and operations strategies Financial performance Governance and integrity Continuously improve ESG performance 	<ul style="list-style-type: none"> Quarterly reports Annual Report Corporate website Meetings 	<ul style="list-style-type: none"> On-going As required 	<ul style="list-style-type: none"> To establish a strong relationship and obtain valuable advice on financial products that meet the company's needs.
Government and Regulators 	<ul style="list-style-type: none"> Compliance with relevant legislation rules and regulations Corporate governance ESG integration 	<ul style="list-style-type: none"> Annual and sustainability reports Meetings Seminars 	<ul style="list-style-type: none"> Annually On-going As required 	<ul style="list-style-type: none"> To ensure business operations comply with the statutory and regulatory requirement.

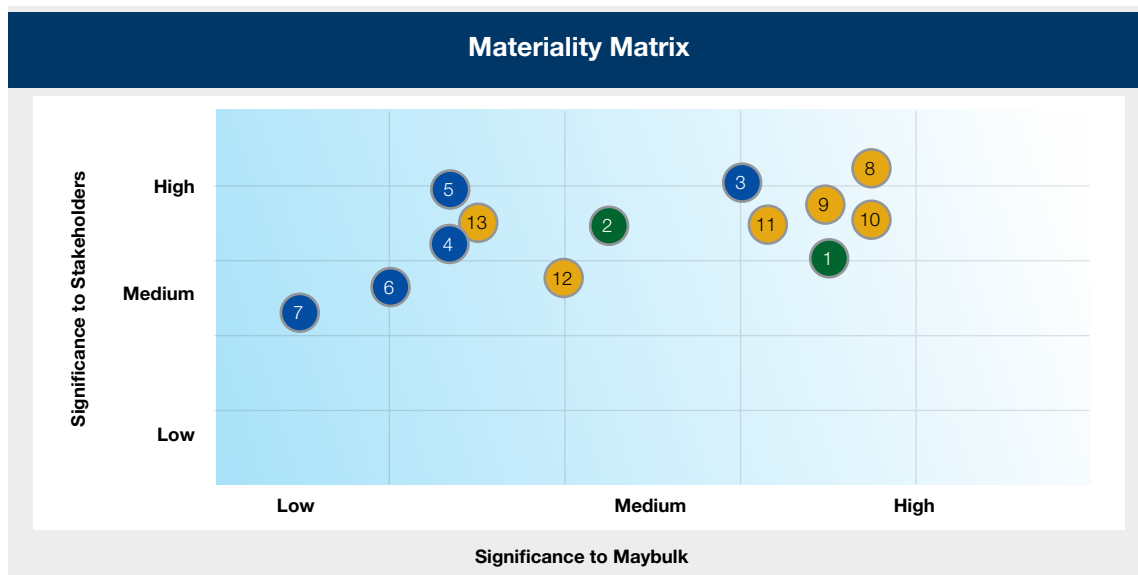
**SUSTAINABILITY STATEMENT**

(CONTINUED)

OUR SUSTAINABILITY APPROACH (CONT'D)**Material Sustainability Matters**

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

We continue to enhance our disclosures on the material sustainability matters which are of high importance to the Group. In 2023, we conducted a materiality assessment to review the relevance of our material matters through stakeholder engagement and sought their views in relation to the ESG topics that were important to the Group. Details of our initiatives and measures taken in managing these material sustainability matters are discussed in the subsequent sections of this Statement.

**Material Sustainability Matters**

 <p>Environmental</p>	<ol style="list-style-type: none"> 1. Climate change and environment management 2. Ocean health
 <p>Social</p>	<ol style="list-style-type: none"> 3. Workplace health and safety 4. Fair employment practices 5. Training and development 6. Diversity and equal opportunity 7. Local community
 <p>Governance</p>	<ol style="list-style-type: none"> 8. Business ethics and compliance 9. Business development and financial performance 10. Supply chain management 11. Customer satisfaction 12. Data privacy and security 13. Disaster response

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

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT

The management approach for material matters is set out below:



While expanding our businesses, the Group is committed to implementing sustainable practices and taking proactive initiatives to address our impact on the environment and improve the health of ecosystems.

Related UNSDGs:



1. Climate Change & Environment Management

In addressing the emission and energy impacts, we measured and managed the carbon footprint across all our operations both in the Shipping Bulker and Shelving and Storage Solutions segments.

1.1 Greenhouse gas emissions

To achieve a greener environment, we have taken proactive initiatives to manage emissions from our vessel. In line with International Maritime Organisation (IMO) of Greenhouse Gas Strategy, the Group has embarked on EU Monitoring, Reporting and Verification (MRV) and IMO Data Collection System (DCS) that are developed in the context of reduction of greenhouse gases (GHG)/ carbon dioxide (CO₂) emissions with the target to measure and potentially reduce the CO₂ emissions.

The Group has implemented the Energy Efficiency Design Index (EEDI) for our vessel using the Ship Energy Efficiency Management Plan (SEEMP), a tool introduced by the IMO to monitor the amount of CO₂ emission and other greenhouse gas emissions from ship. Our Technical Department has been tasked to oversee and implement the SEEMP onboard the fleet and our vessel is designed to be more fuel efficient and in compliance with the following regulations standard:

- (i) Nitrogen Oxides (NOx) Tier II – to limit the diesel engine NOx emissions;
- (ii) Energy Efficient Design Index (EEDI) – to monitor the amount of CO₂ emission and other greenhouse gas emissions from ship;
- (iii) Ballast Water Treatment System;
- (iv) Energy Efficiency Existing Ship Index (EEXI) – to set a standard of energy efficiency for ship; and
- (v) Carbon Intensity Indicator (CII) – to calculate annual energy efficiency value of each ship.

Apart from taking initiatives based on regulatory standards and keeping ourselves abreast on the available technologies in the market for reducing GHG emission, we continuously implement the following strategy:

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

**SUSTAINABILITY STATEMENT**

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)**ENVIRONMENTAL (CONT'D)****1. Climate Change & Environment Management (Cont'd)****1.1 Greenhouse gas emissions (Cont'd)**

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

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

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

The future of GHG reduction plan will depend heavily on the available technology in the market, its economic effect and the acceptable standards set by the regulatory bodies. As a responsible Ship Manager and Ship Owner, we aim to support and participate in any actions to reduce GHG emissions that is within the scope of our business and within our means, and to be in full compliance with the IMO's rules and regulations.

In year 2023, the Group recorded a decrease in GHG emission corresponding with the change in fleet size during the reporting year. The Group's Kamsarmax ship is environmentally friendly green vessel with enhancements that improve efficiency and lowers fuel consumption.

	FY2023	FY2022	FY2021
Average owned vessel(s) operated	1.79	2.34	4.74
Hire days	646.48	819.84	1,619.99
CO ₂ Emission (x1000 tonnes)	27	31	75
Emission per vessel (CO₂ Emission)	15.08	13.25	15.82
NOx Emission (MT)	752	848	1,807
Emission per vessel (NOx Emission)	420.11	362.39	381.22
SOx Emission (MT)	77	84	166
Emission per vessel (SOx Emission)	43.02	35.90	35.02

SUSTAINABILITY STATEMENT

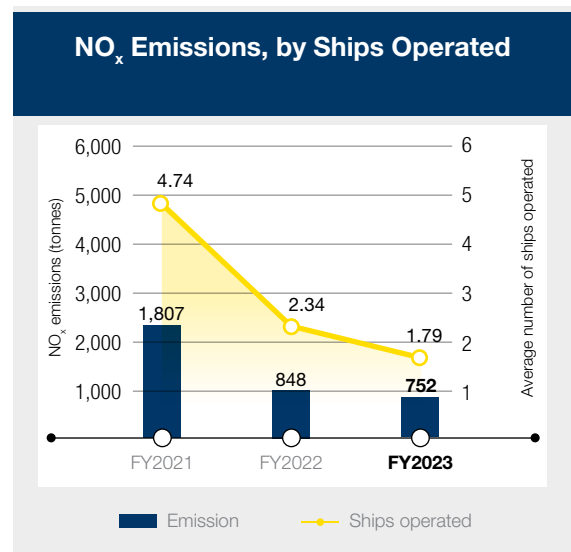
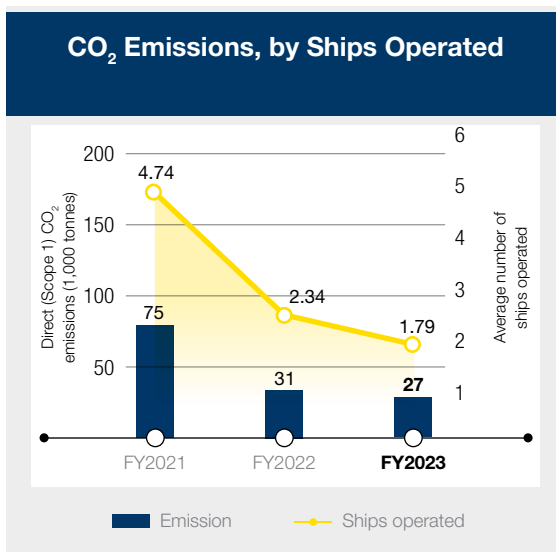
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SUSTAINABILITY MANAGEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

1. Climate Change & Environment Management (Cont'd)

1.1 Greenhouse gas emissions (Cont'd)



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



The Group is committed to ensuring safety and environmental compliance at all levels and to ingrain our people with the mentality to adopt the best environmental standard and contribute to the ecosystem resilience.

The seafarers play an important role in the implementation of, and compliance with pollution prevention requirements, regulations and standards through continuous review of Safety Management System manuals, circulars on environmental related matters and seafarer's education via shipboard training, computer-based training, seminars and pre-joining ship briefings.

By adhering to the Environment Compliance Plan (ECP) and gathering positive feedback on significant environmental aspects via "Open and Transparent Reporting System (ORS)", the Group continuously upholds its environment responsibility while highlighting important areas for improvement within the shipping operations.

In year 2023, there was no major deficiency issued from ECP annual audit for the Group's owned fleet.

**SUSTAINABILITY STATEMENT**

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)**ENVIRONMENTAL (CONT'D)****1. Climate Change & Environment Management (Cont'd)****1.2 Energy****• Fuel management**

The maximum sulphur content of fuel oil used in the maritime industry was limited to 0.5% by the IMO MARPOL Annex VI directive to reduce ship emissions of sulphur oxide (SO_x).

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

	2023	2022
Shipping Bulker		
Very Low Sulphur Fuel Oil (VLSFO) (mt)	8,274.56	9,400.47
Low Sulphur Gas Oil (LSGO) (mt)	408.23	320.10
Marine Gasoil (mt)	–	215.03

In the Shelving and Storage Solutions segment, we deployed an electric engine forklift to reduce our energy consumption and greenhouse gas emissions.

	2023
Shelving and Storage Solutions	
Petrol consumption (litre)	11,143.34
Diesel consumption (litre)	3,852.19

• Water and Electricity

The Group strives for responsible environmental management while upholding environmental standard and regulations.

	2023
Water Consumption	
Shipping Bulker	5,386 m³
Shelving and Storage Solutions	1,070 m³

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

1. Climate Change & Environment Management (Cont'd)

1.2 Energy (Cont'd)

- **Water and Electricity (Cont'd)**

For Shelving and Storage Solutions segment, the Group utilises natural resources by putting up several solar lights posts for usage at night and installed roof skylights at the Jeram warehouse. To conserve and reduce energy consumption, the Group also encourages to install eco-green air-conditioners, switch off lights or other electrical devices when not in use.



The Group consumed total of 30.734 mw of electricity in FY2023.

1.3 Waste management

In adhering to environment regulations, the Group had adopted the 3R efforts – reduce, reuse and recycle in the operations procedure to cultivate a green and healthy practice. We ensure that our scheduled wastes are properly stored and managed till final disposal to approved waste facilities.

(i) Shipping Bulker

All accumulated garbage is compressed to its minimum possible size prior to disposal at shore facilities. The average monthly garbage production in FY2023 was 1.03m³ (FY2022: 1.24m³) per ship, below our target of 1.33m³.

(ii) Shelving and Storage Solutions

We established various initiatives to increase awareness among our employees in an effort to reduce waste such as:

- Segregation of non-recyclable and recyclable waste;
- Minor defect parts are repainted and re-bent for resell;
- Promote digitalisation and paperless environment.



SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

2. Ocean Health

The Group recognises the importance in preserving health and value of the marine ecosystem and biodiversity. Operating in a highly regulated industry, we are committed to safeguarding the environment by ensuring full compliance with all relevant local and international laws and operate efficiently to minimise the impact on the environment. Ashore and at sea, we comply with the mandatory ISM code and other relevant regulatory requirements that prescribe system controls, procedural safeguards and training to prevent and respond to oil spillage.

The Group outsourced its entire fleet management who is ultimately responsible in establishing environmental objectives and targets for the vessel and office departments on an annual basis. The Designated Person is responsible in monitoring the safety and pollution-prevention aspects of the operation of each ship and ensuring that adequate resources and shore-based support are applied, as required.

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

In FY2023, there is no penalty due to non-compliance with IMO as our ship is an environmentally friendly green vessel and equipped with the IMO approved Ballast Water Treatment System to prevent the introduction of non-native marine microorganisms.

Oily bilge water is processed through Oily Water Separator, and residual oil will be retained on board till subsequent disposal to approved reception facilities. The Group installed additional protection system to enhance monitoring and control, and to prevent illegal discharge of oily bilge water.

Reducing the production of oily bilge water generated minimizes the environmental impact and this is accomplished through proper housekeeping and maintenance.

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)



SOCIAL

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

Related UNSDGs:



3. Workplace Health and Safety

To mitigate work-related accidents and ensure a safe working environment for our shelving and storage solutions employees at the Jeram warehouse operation, periodic meetings will be held to regulate operational matters and discuss occurrence of accidents and prevention measures. The Group provides health and safety training at the point of onboarding, on-the-job and regular refresher training to employees.

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

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

Relief of crew is essential in ensuring the safety, health and welfare of seafarers. In 2023, the Group continues to champion the safety and wellbeing of our seafarers and offshore employees through the following programs and initiatives:

- Participated in the International Seafarer's Welfare & Assistance Network (ISWAN) to provide 24x7 assistance via helpline for crew;
- Participated in the Neptune Declaration for Seafarer Wellbeing and Crew Change that prioritises safety and wellbeing of seafarers;
- Rolled out Health and Wellbeing campaign through online audio-visual training;
- Sufficient supply of medication and personal injury prevention training on board vessels;
- Emergency Response Drill was conducted annually to ensure crew familiarise with their roles and protocols outlined in the Emergency Response Manual.

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



SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

SOCIAL (CONT'D)

3. Workplace Health and Safety (Cont'd)

3.1 Health, Safety and Environment Policy (“HSE Policy”)

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

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

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

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



3.2 Personal Protective Equipment (“PPE”)

All personnel must adhere to HSE policy and shall wear adequate PPEs that is suitable for the nature of work being carried out. Our policy requires our employees and seafarers to wear adequate protective equipment, as one of the minimum safety requirements prior to carrying out any work at the warehouse and onboard the vessel.

The Group practices good hygiene to mitigate the impact of the outbreak and ensure adequate supplies of PPE for employees and crew. All employees and crew are required to maintain high level of personal hygiene and adhere to the safety management measures. Disciplinary action for non-compliance is a warning for initial offence and dismissal for a repeated offence. PPEs are regarded as the last defence barrier in the avoidance of personal injury. The conditions of PPEs are regularly checked.

3.3 Safety and Health Training

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

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

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

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

SOCIAL (CONT'D)

3. Workplace Health and Safety (Cont'd)

3.3 Safety and Health Training (Cont'd)

As Workplace Health and Safety programmes are part of our due diligence process, we target to eliminate or reduce risk to “As Low As Reasonably Practicable” with due regard to legal obligations of life safety, health and environment. Our tolerance level for Health and Safety impact per incident is zero loss of life and we are committed to working towards this ultimate goal.

We achieved outstanding safety performance in 2023 both onboard our vessel and at the warehouse.

Key Performance Indicator	2023 Performance	2022 Performance	2021 Performance
Fatality (<i>no. of incidents</i>)	Nil	Nil	Nil
Lost Time Injury Frequency (<i>per million Exposure hours</i>)	Nil	Nil	Nil
Major fire and / or explosion (<i>no. of incidents</i>)	Nil	Nil	Nil
Ship collision (<i>no. of incidents</i>)	Nil	Nil	Nil
Oil pollution (<i>no. of incidents</i>)	Nil	Nil	Nil
Detentions by Port or Flag State (<i>no. of incidents</i>)	Nil	Nil	Nil

4. Employee Management

4.1 Fair Employment Practices

The Group is committed to promoting equitable fair labour practices that uphold and respects diversity, equal opportunity and human rights. All employees are treated fairly and the Group have zero tolerance for discrimination and harassment. These include fair employment, compensation and benefits, equal access to promotions, career advancement and development, safe and healthy working atmosphere.

All potential candidates are given equal opportunities to become part of our organisation as the Group recruitment and selection process are depending on the individual qualification, skills and ability to succeed in the job role regardless of gender, age, race or ethnicity.

The Group adhere to local labour and employment-related laws in all our human resource practices and management.

4.2 Diversity and Equal Opportunity

The Group recognise our employees as the most important asset and believe that a diverse workforce with employees from different age groups, education backgrounds and ethnicities encourage new ways of thinking and promote open-minded cultures from various perspective.

**SUSTAINABILITY STATEMENT**

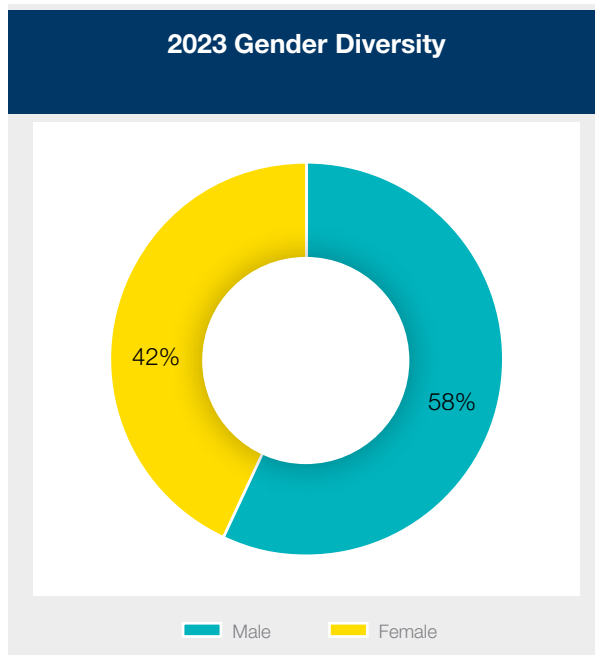
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SUSTAINABILITY MANAGEMENT (CONT'D)**SOCIAL (CONT'D)****4. Employee Management (Cont'd)****4.2 Diversity and Equal Opportunity (Cont'd)**

The gender representation in the group as at end of financial year 2023 is as follows:

	Female	Male	Total
Directors (<i>no</i>)	1	5	6
Management and Executive (<i>no</i>)	15	14	29
Non-Executive / Others (<i>no</i>)	9	15	24
Total	25	34	59
(%)	42%	58%	100%

By Function:	Female	Male	Total
Seafarers (<i>no</i>)	0	19	19
Non-seafarers (<i>no</i>)	25	15	40
Total	25	34	59
(%)	42%	58%	100%

2023 Gender Diversity

In the Shipping Bulker segment, the male-dominated composition workforce contributes to the Group's diversity challenges. Male employees accounted for 58% while the remaining 42% are female employees.

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

SOCIAL (CONT'D)

4. Employee Management (Cont'd)

4.3 Training and Development

The Group provides professional development to the operation and warehouse employees by offering training programme and opportunities to attend seminar, workshops, conferences, aimed at enhancing the skillsets and knowledge to the successful running of the Group's operation.

During the financial year, the Group's employees participated in the training course relating to:

- Anti-Bribery and Anti-Corruption
- Cybersecurity Awareness on Mobile Banking Attack
- Financial Reporting Standard and Accounting
- Taxation
- ESG Workshop on Climate Change
- Motivational workshop on The Power of TEAM towards excellent performance

We continue to assess specific training needs for all employees and improve the training programme for year 2024.





SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

SOCIAL (CONT'D)

4. Employee Management (Cont'd)

4.4 Employee Engagement

The Group believes that our employees' well-being is key to retaining and enhancing their productivity and we continue the initiative to promote healthy relationships amongst employees through townhall, company activities and events that promote team building. These events also serve as a channel for employee engagement and communication between different layers of employees.



SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)



GOVERNANCE

The Group aims to promote business ethics and adopt a high standard of corporate governance in conducting business with integrity and constantly embed the culture of good corporate governance practices guided by our Code of Ethics and Code of Conduct.

Related UNSDGs:



5. Business Ethics and Compliance

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

We demonstrate strong compliance with international and domestic regulations in the geographical areas where we operate. Compliance with the laws and regulations is a must-have for us to operate particularly in the shipping segment and the Group's Board is fully committed to ensuring that the Group maintains the highest standards in the conduct of business.

The Board acknowledges its stewardship responsibility to provide direction on material sustainability issues into decision-making processes and effectively managing potential risks and opportunities. The Board is continuously strengthening the corporate governance and internal controls of the Group to ensure that a high standard of corporate governance is adopted throughout the Group.

5.1 Code of Ethics and Code of Conduct

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

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

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

NIL fines or non-monetary sanctions resulting from unethical business practices in 2023.



**SUSTAINABILITY STATEMENT**

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)**GOVERNANCE (CONT'D)****5. Business Ethics and Compliance (Cont'd)****5.2 Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”)**

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

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

Anti-Corruption Indicators	2023	2022
Operations assessed for corruption related risks (%)	100%	100%
Confirmed incidents of corruption and action taken (<i>no. of incidents</i>)	Nil	Nil
Cost of fines, penalties or settlements in relation to corruption (<i>no. of incidents</i>)	Nil	Nil
Staff disciplined or dismissed due to non-compliance with anti-bribery and anti-corruption policy/policies (<i>no. of staff</i>)	Nil	Nil

5.3 Whistleblowing Policy

This policy establishes a framework for whistle blowing without fear of reprisals and provides for independent investigations. It provides an avenue for all employees and other stakeholders to report any observed improprieties, suspected wrongdoings or unethical or unlawful conduct involving our employees and provides reassurance that the whistle-blower will be protected from reprisals and their identity will not be disclosed to maintain confidentiality. Submission of complaint shall be made in person or in writing and all malpractices or wrongdoings reported by the whistleblower are addressed to the Executive Director. In FY2023, no complaints on suspected corrupt or unethical conduct were received.

The Code of Ethics and Code of Conduct, ABAC and Whistleblowing policies were communicated to suppliers, customers and the Group’s employees as control measure to act professionally, fairly and with integrity in all business dealings. These policies are available on our corporate website to ensure they are accessible to all stakeholders.

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

GOVERNANCE (CONT'D)

5. Business Ethics and Compliance (Cont'd)

5.4 Seafaring regulations

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

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

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

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

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

6. Business Development and Financial Performance

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

Equity Structure

In FY2023, the Group and the Company reviewed their respective equity structure and has carried out a capital reduction exercise to cancel the share capital of the Group and of the Company amounted to RM275.0 million, being share capital which are no longer represented by assets.

The Group and the Company have also reviewed the past accounting treatment of foreign currency translation differences arising from translation of statements of financial positions denominated in foreign currency. Consequently, prior year adjustments of RM76.267 million and RM116.302 million by the Group and the Company were made to reduce the foreign currency translation reserve and enhance the retained earnings.

These improved the distributability of the Group and the Company's reserves.

Shipping Bulker segment

The Group expects revenue and profit from its Shipping Bulkers Segment to be more stable and not affected by the international supply and demand for seaborne trade or the global charter rates as the remaining vessel is under long term contract with secured charter rates.

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



SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

GOVERNANCE (CONT'D)

6. Business Development and Financial Performance (Cont'd)

Shelving and Storage Solutions segment

In FY2023, the margin increased steadily by 11% compared to FY2022 due to higher demand for heavy duty or industrial storage solutions and we continuously work on value creation for our stakeholders by maximising profit to increase shareholder value.

7. Supply Chain Management

All of our suppliers are required to adhere to the Group Code of Ethics and Code of Conduct and ABAC Policy which can be accessed through our corporate website. We are committed to promoting sustainability across our supply chain by protecting the rights and confidentiality of suppliers while safeguarding our interests in the course of business dealings.

Cognisant of our operational needs in the shelving and storage solutions segment, we prioritise procuring raw materials and services from local suppliers to the best extent possible in supporting the local economy supply chain and reducing our carbon footprint.

We constantly monitor our major suppliers and ensure that the suppliers are financially sound and can fulfil the business's operational needs. In FY2023, out of the RM48.75 million spent on purchases, 99.75% was spent on local suppliers.

8. Customer Satisfaction

The Group is committed to maintaining the highest quality standards in the supply of the products and services to customer as it directly relates to customer satisfaction and profitability.

It is our top priority to maintain customer satisfaction level and the Group has worked relentlessly to improve quality with all operating subsidiaries have made significant progress in this area. In FY2023, no major returns or rejection from customers were reported.

9. Data Privacy and Security

The evolution of cybercrime and cyber-threats due to the acceleration in digital technologies and infrastructure pose a great challenge to the Group's information system.

Shipping Bulker segment

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

Shelving and Storage Solutions segment

The Group takes accountability to manage the growing threat of cyber-attacks including protecting data related to our stakeholders and business information. The following measures have been taken to

- Installation of Firewall, Anti-Spam and Antivirus applications and keep systems up to date with the latest patches to ensure proper functionality;
- Monitoring Antivirus status for all users' computers/notebooks to ensure the devices are secured and free of risk from any cyber-attack;
- Internet Security Awareness talk to create awareness on mobile banking attack via fake application.

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY MANAGEMENT (CONT'D)

GOVERNANCE (CONT'D)

9. Data Privacy and Security (Cont'd)

On crew operations, with data enhancements and optimising system utility, automated checks and validation will be implemented for crew documentation and crew movement.

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

There were zero complaints on breaches of data privacy or security breach for FY2023.

10. Disaster Response

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

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

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

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

10.1 Trainings and drills

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

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





SUSTAINABILITY STATEMENT

(CONTINUED)

PERFORMANCE DATA TABLE

The following performance data table, downloaded from the ESG Reporting Platform summarises the quantitative mandatory indicators to the relevant material sustainability matters while the qualitative material sustainability matters are in the above sections of our Sustainability Statement.

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	25.00
Executive	Percentage	50.00
Non-executive/Technical Staff	Percentage	77.00
General Workers	Percentage	45.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	75.00
Management Above 50	Percentage	25.00
Executive Under 30	Percentage	30.00
Executive Between 30-50	Percentage	70.00
Executive Above 50	Percentage	0.00
Non-executive/Technical Staff Under 30	Percentage	46.15
Non-executive/Technical Staff Between 30-50	Percentage	53.85
Non-executive/Technical Staff Above 50	Percentage	0.00
General Workers Under 30	Percentage	36.36
General Workers Between 30-50	Percentage	63.64
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	83.00
Management Female	Percentage	17.00
Executive Male	Percentage	35.00
Executive Female	Percentage	65.00
Non-executive/Technical Staff Male	Percentage	31.00
Non-executive/Technical Staff Female	Percentage	69.00
General Workers Male	Percentage	100.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.33
Female	Percentage	16.67
Under 30	Percentage	0.00
Between 30-50	Percentage	16.67
Above 50	Percentage	83.33
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	30.73
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	17
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	632
Executive	Hours	920
Non-executive/Technical Staff	Hours	420
General Workers	Hours	104
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	15
Executive	Number	22
Non-executive/Technical Staff	Number	16
General Workers	Number	24
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.75
Bursa (Data privacy and security)		

SUSTAINABILITY STATEMENT

(CONTINUED)

PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2023
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	6.460000
Bursa (Emissions management)		
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	23.97

Internal assurance External assurance No assurance (*)Restated



PROFILE OF DIRECTORS

YEOH KHOON CHENG

Independent Non-Executive Chairman Malaysian Male Aged 65

Date of appointment: **29 August 2019**

Mr. Yeoh Khoon Cheng was appointed to the Board on 29 August 2019. He was the Chairman of the Audit and Risk Management Committee and a member of Nomination & Remuneration Committee until 15 June 2023, when he was appointed as Chairman of the Board. Subsequently, on 1 October 2023, he was re-appointed as a member of the Audit and Risk Management Committee and Nomination & Remuneration Committee.

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

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

DATO' GOH CHENG HUAT

Group Managing Director Malaysian Male Aged 63

Date of appointment: **13 May 2022**

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

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

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

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

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

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

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

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

PROFILE OF DIRECTORS

(CONTINUED)

OOI TEIK HUAT

Executive Director / Chief Financial Officer Malaysian Male Aged 54

Date of appointment: **13 January 2023**

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

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

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

LIN JUNLIANG, TROY

Executive Director / Chief Investment Officer Singaporean Male Aged 38

Date of appointment: **20 June 2022**

Mr. Troy Lin was appointed to the Board on 20 June 2022. He was appointed as member of Nomination & Remuneration Committee and Audit and Risk Management Committee until 1 October 2023, when he was re-designated as Executive Director cum Chief Investment Officer.

Mr. Troy Lin has more than 10 years of experience as an investment and financial advisor for large corporations in the public infrastructure space. Prior to the executive appointment at Maybulk, Mr. Troy Lin was based in Shanghai as a Deputy Director of Global Investment and Risk Control for Trina Solar Limited, focusing on international renewable energy asset investment and management. Right before his time at Trina Solar, he was a structured finance senior manager for Jinko Power Technology Co Ltd in Shanghai, leading the firm's financing activities for its renewable energy assets in the Asia Pacific region.

Mr. Troy Lin was also once an investment banker in Mitsubishi UFJ Financial Group's Project Finance Division in Singapore, providing lending and financial engineering solutions to large Asian power and infrastructure corporations. Apart from investment, Mr. Troy Lin possessed experience in global transfer pricing tax structuring, as he started his career with KPMG Singapore transfer pricing advisory team right after graduation.

Mr. Troy Lin holds a Master of Business Administration from the University of Cambridge, majoring in Corporate Strategy. He was also accounting trained, having attained his bachelor in accounting from the National University of Singapore in 2011. He is a member of the Institute of Singapore Chartered Accountants (ISCA).

He is the son-in-law of Dato' Goh Cheng Huat.

**PROFILE OF DIRECTORS**

(CONTINUED)

ELSIE KOK YIN MEI

Independent Non-Executive Director Malaysian Female Aged 63

Date of appointment: **23 June 2020**

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

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

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

She is currently an Independent Non-Executive Director of Liberty General Insurance Berhad and Kuchai Development Berhad.

MOHD. ARIF BIN MASTOL

Independent Non-Executive Director Malaysian Male Aged 69

Date of appointment: **15 June 2023**

En. Mohd. Arif Bin Mastol was appointed to the Board on 15 June 2023. He is appointed as Chairman of Audit and Risk Management Committee and member of Nomination & Remuneration Committee.

He started his career in 1978 as an Executive Accounts Officer. In 1985, he served as an Accountant with the Treasury Department of Kuala Lumpur City Hall after completing his Degree in Accountancy from MARA Institute of Technology (now known as University Teknologi Mara). From 1991 to 2001, he was attached with several companies, including a Japanese based company in several capacities including Assistant Manager Finance & Accounts, Finance & Administration Manager, Financial Controller and Chief Operation Officer.

En. Mohd. Arif Bin Mastol is a member of the Malaysia Institute of Accountants (MIA).

Notes:

- (1) The total number of Board meetings held during the financial year ended 31 December 2023 was six. The number of Board Meetings attended by the Directors in the financial year is set out on page 46 of this Annual Report.
- (2) None of the directors has any family relationship with any other director of the Company other than Dato' Goh Cheng Huat is the father-in-law of Mr. Lin Junliang, Troy.
- (3) None of the directors had any convictions for offences within the past 5 years other than traffic offences.
- (4) None of the directors have any public sanction and/or penalty imposed by any relevant regulatory bodies during the financial year ended 31 December 2023.

KEY SENIOR MANAGEMENT

DATO' GOH CHENG HUAT

Group Managing Director

His profile is disclosed on page 39 of this Annual Report.

OOI TEIK HUAT

Executive Director / Chief Financial Officer

His profile is disclosed on page 40 of this Annual Report.

GOH TING HONG

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

Nationality / Age / Gender:

Malaysian / 38 / Male

Date of Appointment:

9 May 2017

Academic/ Professional Qualification:

- Bachelor of Engineering from Sheffield Hallam University, United Kingdom

Present Directorship:

- Listed entity: Nil
- Other public companies: Nil

Working Experience:

Mr Goh Ting Hong ("Jason Goh") has over 13 years' of experience in the steel and storage solutions business. He began his career in 2010 with a building materials company specialising in the trading of steel, where he was involved in sales and marketing. In 2013, he joined an elevator manufacturing company in Malaysia as a Mechanical Design Engineer where he was mainly involved in the development, design and engineering of elevators.

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

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

LIN JUNLIANG, TROY

Executive Director / Chief Investment Officer

His profile is disclosed on page 40 of this Annual Report.

TAN BEE CHOO

Senior Manager, Finance

Nationality / Age / Gender:

Malaysian / 48 / Female

Date of Appointment:

10 June 2019

Academic/ Professional Qualification:

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

Present Directorship:

- Listed entity: Nil
- Other public companies: Nil

Working Experience:

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

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

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

**KEY SENIOR MANAGEMENT**

(CONTINUED)

LO ZHI HERNG TERRY

Assistant Manager, Finance

Nationality / Age / Gender:

Malaysian / 37 / Male

Date of Appointment:

1 January 2020

Academic/ Professional Qualification:

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

Present Directorship:

- Listed entity: Nil
- Other public companies: Nil

Working Experience:

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

Notes:

- (1) none of the key senior management has any family relationship with any director of the Company, other than Dato' Goh Cheng Huat is the father-in-law of Lin Junliang, Troy.
- (2) none of the key senior management had any convictions for offences within the past 5 years other than traffic offences.
- (3) none of the key senior management have any public sanction and/or penalty imposed by any relevant regulatory bodies during the financial year ended 31 December 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Yeoh Khoon Cheng
Independent Non-Executive Chairman

Dato' Goh Cheng Huat
Group Managing Director

Ooi Teik Huat
Executive Director / Chief Financial Officer

Lin Junliang, Troy
Executive Director / Chief Investment Officer

Elsie Kok Yin Mei
Independent Non-Executive Director

Mohd. Arif Bin Mastol
Independent Non-Executive Director



AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
 Mohd. Arif Bin Mastol

Members
 Elsie Kok Yin Mei
 Yeoh Khoon Cheng

NOMINATION & REMUNERATION COMMITTEE

Chairman
 Elsie Kok Yin Mei

Members
 Yeoh Khoon Cheng
 Mohd. Arif Bin Mastol

COMPANY SECRETARIES

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

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

REGISTRAR

Boardroom Share Registrars Sdn Bhd
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya, Selangor
 Malaysia
 Tel : +603-7890 4700
 Fax : +603-7890 4670
 Email:
 bsr.helpdesk@boardroomlimited.com

REGISTERED OFFICE

Suite 8.01, Level 8
 Menara Binjai
 No. 2 Jalan Binjai
 50450 Kuala Lumpur
 Wilayah Persekutuan
 Malaysia
 Tel : +603-2386 7899
 Fax : +603-2386 7899
 Email: enquiries@maybulk.com.my

STOCK EXCHANGE LISTING

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

AUDITORS

Grant Thornton Malaysia PLT
 Chartered Accountants
 Level 11, Sheraton Imperial Court
 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Malaysia
 Tel : +603-2692 4022
 Fax : +603-2691 5229

WEBSITE: www.maybulk.com.my



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Maybulk Berhad (formerly known as Malaysian Bulk Carriers Berhad) (“the Company”) and its subsidiaries (“the Group”) is committed to uphold good governance practices in discharging its responsibilities to the various stakeholders of the Group and in accordance with the recommendations set out in the Malaysian Code of Corporate Governance 2021 (“Code”).

The Corporate Governance Overview Statement provides a summary of the corporate governance practices of the Group during the financial year ended 31 December 2023 with reference to the three (3) key principles set out in the Code:

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

This statement is to be read together with the Corporate Governance Report (“CG Report”) for financial year ended 31 December 2023, reported in the format prescribed under paragraph 15.25 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities” (“MMLR”). The CG Report can be downloaded from the Group’s website at www.maybulk.com.my or from Bursa Securities’ website.

The CG Report provides details on how the Group has applied each practices under the Code, any departures thereof and the alternative measures put in place within the Group during the financial year ended 31 December 2023. The Board considers that the Group has substantially complied with the Code save for the exceptions which are fully described in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board of Directors

The Board of the Company currently comprises of six (6) members; three (3) Executive Directors, and three (3) Independent Non-Executive Directors, as at date of this Annual Report as follows:

Directorate	Director
Independent Non-Executive Chairman	Mr. Yeoh Khoon Cheng (redesignated on 15.06.2023)
Group Managing Director (“MD”)	Dato’ Goh Cheng Huat (redesignated on 27.02.2023)
Executive Director (“ED”)	Mr. Ooi Teik Huat (Appointed on 13.01.2023)
ED	Mr. Lin Junliang, Troy (redesignated on 01.10.2023)
Independent Non-Executive Director (“INED”)	Mdm. Elsie Kok Yin Mei
INED	En. Mohd. Arif Bin Mastol (Appointed on 15.06.2023)

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

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

During the financial year ended 31 December 2023, six (6) Board meetings were held to deliberate and decide a wide variety of matters. This included the Group’s quarterly operations and financial performance, market conditions, major investments, risk management and other strategic issues.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board of Directors (Continued)

The attendance of Board members at these meetings is as follows:

Director	Attendance
Mr. Yeoh Khoon Cheng	6/6
Dato' Goh Cheng Huat	6/6
Mr. Ooi Teik Huat	6/6
Mr. Lin Junliang, Troy	6/6
Mdm. Elsie Kok Yin Mei	6/6
En. Mohd. Arif Bin Mastol	2/2 (*)

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

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

In compliance with Paragraph 15.08 of the MMLR, the Directors have attended the following seminar/webinar/conference/trainings in FY2023:

Director	Training programmes attended
Mr. Yeoh Khoon Cheng	<ul style="list-style-type: none"> Audit Committee Conference 2023
Dato' Goh Cheng Huat	<ul style="list-style-type: none"> Amendments to the Listing Requirements on Conflict of Interest ("COI") and other areas
Mr. Ooi Teik Huat	<ul style="list-style-type: none"> Seminar Percukaian Kebangsaan 2023 SSM National Conference 2023 on Shared Responsibility In Strengthening AML/CFT Compliance: Risks, Challenges and Collaborations ESG Reporting: A Key to Value Creation Today
Mr. Lin Junliang, Troy	<ul style="list-style-type: none"> Bursa Malaysia Mandatory Accreditation Program Part II: Leading for Impact (LIP)
Mdm. Elsie Kok Yin Mei	<ul style="list-style-type: none"> Audit Committee Conference 2023
En. Mohd. Arif Bin Mastol	<ul style="list-style-type: none"> Audit Committee Conference 2023

1.1 Board Responsibilities

The Board is collectively responsible to the Company's shareholders for the direction, effective oversight of governance and overseeing the Group's business affairs by providing guidance to the management to ensure its long-term success. The Board met regularly throughout the financial year, either in person or virtually, to approve the Group's strategic objectives and to lead the Group within a framework of effective controls which enable risks to be assessed and managed to meet the objectives set.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board of Directors (Continued)

1.1 Board Responsibilities (Continued)

The Board is guided by a Board Charter in discharging its fiduciary duties and responsibilities. Its principal functions and responsibilities include the following:

- Oversee the conduct and performance of the Group's business to ensure the business is being properly managed;
- Review, challenge and decide on management's proposals for the Group and monitors its implementation by management;
- Identify principal risks and ensuring the implementation of appropriate internal controls system to manage these risks;
- Review the adequacy and the integrity of the Group's risk management, internal control systems and management information systems including systems/reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines;
- Establish succession plan including appointing, training, fixing the compensation of and where appropriate, replacing Board members and senior management;
- Develop and implement an investor relation programme or shareholder communications policy of the Group;
- Ensure that the Company's and the Group's financial statements are true and fair and conform with the laws;
- Review any conflict of interest situation involving Directors or Senior Management that arose, persist or may arise together with measures taken to resolve, eliminate or mitigate such conflicts; and
- Ensure that the Group adheres to high standards of ethics and corporate behaviour.

The Board delegates the day-to-day management of the Company's business to the management team, reserving its consideration for significant matters to ensure that the Group's direction and control are firmly in its hands. These matters include strategic direction, major business proposals and investments; significant assets acquisition and disposal; financing and borrowing activities; dividend declaration; authority levels; appointment of auditors, financial statements review; adoption of any significant change in accounting policies; risk management policies and review the adequacy and integrity of internal controls.

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

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

The ARMC comprises of three (3) Independent Non-Executive Directors. Please refer to the Audit and Risk Management Committee Report in this Annual Report for details on the composition, responsibilities, terms of reference and activities of ARMC during FY2023.

ii. **Nomination and Remuneration Committee ("NRC")**

The NRC assists the Board in fulfilling its responsibilities in ensuring an effective and orderly succession plan, evaluate new nominees for directors and/or senior management, assessing directors and senior management on an on-going basis, reviewing diversity of the Board's composition and continuous education programme of the Board, and recommending matters relating to the remuneration of Directors and Senior Management. Please refer to Section 6 for details on the composition and activities of NRC in FY2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board of Directors (Continued)

1.1 Board Responsibilities (Continued)

The respective Committees operate within their respective terms of reference, which have been approved by the Board. These terms of reference are reviewed periodically by the Board to ensure that they remain relevant and adequate in governing the functions and responsibilities of the respective committees.

All decisions and deliberations at board committee level are properly minuted. The Chairman of the board committees reports to the Board on the outcome and recommendations made during the board committee meetings for further deliberation and approval.

The MD, supported by the EDs (who presently also assume the responsibilities as Chief Financial Officer (“CFO”) and Chief Investment Officer (“CIO”) respectively) and senior management team is responsible for the day-to-day management of the Group’s business and operations.

1.2 Qualified Company Secretaries

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

The Company Secretaries and/or their representatives facilitate and attend all meetings of the board, board committees and shareholders meetings, and ensure that meetings are properly convened and proceedings are properly recorded; maintain all corporate records required under the Companies Act and ensure compliance with all reporting obligations under the applicable law and regulations; communicate Board decisions to Management and advise Board on any changes to regulatory requirements, listing rules and corporate governance matters as and when it arises.

1.3 Access to Information and Advice

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

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

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

2. Board Charter

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

The Board Charter was last updated on 29 November 2023 to ensure its relevance and keep abreast of the new changes in regulations. A copy of the Board Charter is available on the Company’s website at www.maybulk.com.my, is subject to periodic reviews and will be updated when deemed necessary.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3. Good Business Conduct and Corporate Culture

3.1 Code of Ethics and Conduct

The Board is committed to maintaining a corporate culture with good ethical conduct. This is formalised through the Directors' Code of Ethic forming part of the Board Charter. The Group's Code of Ethics and Code of Conduct are also set out in the Employment Handbook.

These codes provide guidance to the directors and employees to ensure that they uphold high ethical standards in discharging their duties. The codes cover matters in relation to conflict of interest, entertainment and gifts, misuse of position, insider trading and misconduct. The directors and employees of the Group are expected to adhere to the codes set out therein.

3.2 Anti-Bribery and Anti-Corruption Policy

The Board adopted an Anti-Bribery and Anti-Corruption Policy in line with the provision of the Malaysian Anti-Corruption Commission Act 2009 including its statutory modifications, amendments or reenactments thereof for the time being in force. The policy provides guidance to the Directors, employees and business associates of the Group to observe the highest standard of personal and corporate integrity in all business dealings and relationships. A copy of this policy is available on the Company's website.

3.3 Whistleblowing Policy

The Company adopted a Whistleblowing Policy which provides an avenue for all employees of the Group, suppliers, customers or members of public to report any corporate impropriety, malpractice, wrongdoing or misconduct relating to fraud, corrupt practices and/or abuse in the Group and to provide protection to the person who reported such matters of concern.

The Board has the overall responsibility for overseeing the implementation of the policy and all malpractices or wrongdoings reported by the whistleblower are to be directed in the followings manner:-

- i. By way of email to whistleblow@maybulk.com.my
- ii. By way of writing addressed to Chairman of Audit & Risk Management Committee, Suite 8.01, Level 8, Menara Binjai, No. 2 Jalan Binjai, 50450 Kuala Lumpur

A copy of this policy is available on the Company's website.

3.4 Remuneration Policy

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3. Good Business Conduct and Corporate Culture (Continued)

3.5 Directors' Fit and Proper Policy

In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), the Board has adopted the Directors' Fit and Proper Policy to provide guidance and transparent process for the appointment of Directors or Senior Management. The policy is subject to regular review by the Board or at any time as it may deem necessary in accordance with the needs of the Company. A copy of this policy is accessible on the Company's website.

4. Sustainable Practice

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

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

5. Chairman and Managing Director

There is a distinct division of roles and responsibilities of the Chairman of the Board and the Managing Director to ensure balance of power and authority, such that no one individual has unfettered powers of decision making while facilitating effective discharge of the distinct roles of the Chairman and Managing Director ('MD').

The current Board Chairman, Mr. Yeoh Khooon Cheng is an INED and is responsible for ensuring the Board's effectiveness and focusing on strategy, governance, compliance, and overall conduct of the Board.

The current MD, Dato' Goh Cheng Huat leads the management team together with two (2) Executive Directors. The MD together with the management team manages the business of the Group in accordance with the Board's strategic plans and reports operational performance of the Group to the Board at regular intervals.

6. The Chairman of the Board should not be a member of Audit and Risk Management Committee and Nomination and Remuneration Committee

The Board is in the midst of seeking suitable candidates for the Board to restructure the composition of the committees to comply with this recommendation.

7. Board Composition

The Board is assisted by the NRC to ensure that the Board has the right composition and only individuals with sufficient caliber, knowledge and experience, integrity and reputation, competence are appointed as Director and/or Senior Management of the Group.

The NRC conducts an annual review on the effectiveness of its size, mix of skills, experience, assessment of Independent Directors, succession plans, and boardroom diversity; oversees training courses for Directors and assessment of the effectiveness of the Board, its committee performance, commitment and contribution of each Director. The terms of reference of NRC is available on the Company's website.

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****(CONTINUED)****PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)****7. Board Composition (Continued)**

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

Directorate	Director
Chairman	Mdm. Elsie Kok Yin Mei
Member	En. Mohd. Arif Bin Mastol (appointed on 15.06.2023) Mr. Yeoh Khoon Cheng (resigned on 15.06.2023 and reappointed on 01.10.2023) Mr. Lin Junliang, Troy (resigned on 01.10.2023)

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

- (a) recommend to the Board, suitable candidates for directorships taking into consideration the candidates' skills, knowledge, expertise, experience, professionalism, integrity, diversity and evaluate candidates' ability to discharge responsibilities as expected for the position of Independent Director.
- (b) review the Board structure, size and composition and make relevant recommendations to the Board.
- (c) assist the Board in reviewing the required mix of skills, experience and other qualities including core competencies of Directors on annual basis.
- (d) assess the effectiveness of the Board and Board Committees as a whole and the contribution of the Directors and Board Committee on an annual basis and report to the Board on its findings.
- (e) formulate the nomination, selection and succession policies for the members of the Board.
- (f) review remuneration of the directors.

The NRC meets at least once a year and whenever required. In FY2023, the NRC convened two (2) meetings with full attendance. A summary of activities of NRC during the year under review is as follows:

- (a) Reviewed composition, diversity, size, and structure of the Board and its Board Committees;
- (b) Reviewed the required mix of skills, diversity of experience, and other qualities, including core competency of members of the Board;
- (c) Reviewed the term of office and performance of the ARMC and its members;
- (d) Reviewed the terms of reference of the NRC;
- (e) Assess the experience, competency, time commitment and integrity of the Executive Directors in discharging its functions;
- (f) Assess the effectiveness of the Board, the various Board Committees and the contributions of each individual director;
- (g) Reviewed the Remuneration Package of Executive Directors and Senior Management within the Group and recommended to the Board for approval;
- (h) Assessed the independence of INED and reviewed their yearly confirmation of independence;
- (i) Reviewed and recommended to the Board re-election of Directors who were due for retirement;
- (j) Recommend to the Board, the candidates for appointment as Directors;
- (k) Evaluated training needs of Directors; and
- (l) Reviewed and recommended to the Board the redesignation of Directors and change in the composition of Board Committees.

7.1 Review of Board Composition

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

7. Board Composition (Continued)

7.2 Gender Diversity

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

The Board currently does not have a gender diversity policy and target in place. Nonetheless, the Board has one (1) female Director as at 31 December 2023, which contributes 16.7% of the Board composition. With the composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

The Board is supportive of gender diversity in the Board and in its management team. Within its rank of management, the Group has about 25% female representation.

7.3 Independent Directors

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

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

In FY2023, all the independent non-executive directors have served less than a cumulative period of 9 years.

7.4 Board Assessment

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

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

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

7.5 Time commitment

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

8. Remuneration of Directors and Senior Management

8.1 Details of Directors' Remuneration

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

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

The remuneration paid and/or payable for the financial year ended 31 December 2023 are set out below.

	Received or receivable from the Company			Received or receivable from the Subsidiary	Total RM
	Fees ¹ RM	Allowances ² RM	Salaries ³ RM	Salaries ³ RM	
Directors					
Mr. Yeoh Khoon Cheng	87,301	12,000	–	–	99,301
Dato' Goh Cheng Huat	–	1,000	724,743	–	725,743
Mr. Ooi Teik Huat	–	1,000	585,301	–	586,301
Mr. Lin Junliang, Troy ⁴	57,494	5,500	–	245,227	308,221
Mdm. Elsie Kok Yin Mei	85,000	14,000	–	–	99,000
En. Mohd. Arif Bin Mastol ⁵	46,576	3,500	–	–	50,076
Dato' Chin Yoke Kan ⁶	2,137	–	–	–	2,137
Dato' Chin Yoke Choon ⁶	2,137	–	–	–	2,137
Datuk Tan Hong Lai ⁶	2,671	–	–	–	2,671
Grand total	283,316	37,000	1,310,044	245,227	1,875,587

Notes:

1. Director fees included ARMC and NRC service fees
2. Allowances included meeting allowances
3. Bonus, EPF, SOCSO and EIS are included herein

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

4. Mr. Lin Junliang, Troy redesignated as Executive Director and appointed as Chief Investment Officer on 1 October 2023
5. En. Mohd. Arif Bin Mastol appointed as director on 15 June 2023
6. Dato' Chin Yoke Kan, Dato' Chin Yoke Choon and Datuk Tan Hong Lai resigned as director on 13 January 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

8. Remuneration of Directors and Senior Management (Continued)

8.2 Top Three (3) Senior Management's Remuneration

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

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

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

9. Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") oversees and reviews the Group's financial reporting, risk management framework and internal control system. The ARMC comprises of three (3) INEDs, is chaired by En. Mohd Arif Bin Mastol, an INED. The members of the ARMC possess the required mix of skills, experience and knowledge to enable them to discharge their duties and responsibilities.

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

Details on the composition, terms of reference, roles and activities undertaken by the ARMC are set out in ARMC Report on pages 57 to 60 of the Annual Report.

9.1 Appointment of Former Key Audit Partner to ARMC

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

9. Audit and Risk Management Committee (Continued)

9.2 External Auditors

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

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

10. Risk Management and Internal Control Framework

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

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

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

11. Internal Audit Function

The Group outsourced its internal audit functions to an external professional firm.

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

The internal auditors are required to declare their independence to the ARMC and the ARMC has also received assurance from the internal auditors that they have adopted internal audit standards and best practices based on the International Professional Practices Framework (IPPF), endorsed by the Institute of Internal Auditors Malaysia.

The external service provider is Tan Yen Yeow & Company and RM40,000 was incurred for internal audit services for FY2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

12. Engagement with Stakeholders

12.1 Communication with Stakeholders

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

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

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

12.2 Integrated Reporting

Integrated reporting is not applicable to the Group presently.

13. Conduct of General Meetings

The AGM represents the principal forum for dialogue and interaction between the Company and its shareholders. Notice of the 34th AGM was sent to the shareholders on 29 April 2023 and in compliance with the provision of the Companies Act 2016. The notice of the AGM accompanied by relevant supporting information and an explanation of the resolutions to be proposed in the AGM are circulated at least twenty-eight (28) days before the date of the meeting to enable shareholders to have sufficient time to go through the Annual Report and make the necessary attendance and voting arrangement.

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

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

14. Minutes of General Meeting

Minutes of the General Meetings are posted on the Company's website within 30 days from the date of General Meetings.

STATEMENT ON COMPLIANCE

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board considers that the Group has complied in all material aspects with the provisions set out in the Code throughout FY2023 except as disclosed in paragraph 6 and Note 1.4.

This Corporate Governance Overview Statement was approved on 29th April 2024.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“ARMC”) was established by the Board of Directors (“Board”) to assist the Board in safeguarding the quality and reliability of financial reporting and fulfilling its oversight responsibilities with respect to the Company and its subsidiaries’ (“the Group”) system of internal control and risk management, financial reporting, and audit process. The ARMC is guided by its terms of reference as set out on the Company’s website at www.maybulk.com.my.

COMPOSITION

The ARMC composition comprises of three (3) members, all of whom are Independent Non-Executive Directors (“INEDs”).

Chairman	En. Mohd Arif Bin Mastol (appointed on 15 June 2023)
	Mr. Yeoh Khoon Cheng (resigned on 15 June 2023)
Members	Mdm. Elsie Kok Yin Mei
	Mr. Yeoh Khoon Cheng (appointed on 1 October 2023)
	Mr. Lin Junliang, Troy (appointed on 27 February 2023, resigned on 1 October 2023)
	Datuk Tan Hong Lai (resigned on 13 January 2023)

All members of the ARMC are financially literate, competent and possess a wide range of necessary skills to effectively discharge their duties and responsibilities. Majority of the ARMC members are members of the Malaysian Institute of Accountants (MIA) and/or professional accounting body, in compliance with Paragraph 15.09(1)(c)(i) of the Listing Requirements.

MEETINGS AND ATTENDANCE

The ARMC meets periodically to carry out its functions and duties in accordance with its Terms of Reference. During the financial year ended 31 December 2023 (“FY2023”), the ARMC held six (6) meetings and the record of attendance are as tabulated:

Director(s)	Attendance
En. Mohd Arif Bin Mastol	2/2 *
Mr. Yeoh Khoon Cheng	5/5 *
Mdm Elsie Kok Yin Mei	6/6
Mr. Lin Junliang, Troy	3/3 *
Datuk Tan Hong Lai	0/0 *

Notes:

* Total meeting held and attended after appointment / before resignation

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONTINUED)

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2023, the ARMC performed the following duties as set out in its terms of reference:

Financial Statements

- Reviewed and recommended the unaudited quarterly financial statement for the Group in FY2023 to the Board for its deliberation and approval;
- Reviewed and recommended the annual audited financial statements of the Group and of the Company for FY2023 to the Board for its deliberation and approval; and
- Ensured the unaudited quarterly financial statements and annual financial statements were drawn up in compliance with the relevant International Financial Reporting Standards, Malaysian Financial Reporting Standards, provisions of the Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Matters relating to External Audit

- Identified suitable external audit firm to be appointed to fill the vacancy left by the previous external auditors and recommend to the Board for approval;
- Reviewed with the external auditor the scope of work and their audit plan in respect of audit for FY2023;
- Reviewed with the external auditors the results of external audit for FY2023, the audit report and management letters (if any), proposed audit fees and recommended to the Board for approval;
- Held private session with the external auditors without the presence of management and Executive Directors to discuss issues arising from the course of their work;
- Assessed the objectivity and independence of the external auditors in carrying out their audit during the financial year; and
- Evaluate the performance, competency and quality of service of the external auditors' performance and independence of the external auditors.

Matters relating to Internal Audit

- Reviewed and approved the Internal Audit plan for FY2023;
- Reviewed the Internal Audit reports along with their recommendation and Management's response to improve the internal controls system based on internal audit findings;
- Reviewed internal audit report (including follow-up audits) presented by the internal auditors, deliberated on issues raised and reviewed the response by the management. Thereafter reported the same to the Board;
- Assessed the independence and evaluated competency of internal auditors; and
- Held private sessions with the internal auditors in the absence of management and Executive Directors.

Matters relating to Risk Management and Internal Control

- Reviewed risk management report, deliberated on key corporate risks affecting the Group and reported the same to the Board; and
- Reviewed quarterly vessel inspection report.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONTINUED)

Matters relating to Related Party Transactions

- Reviewed and report to the Board recurrent related party transactions of a revenue or trading nature entered into by the Company and the Group were undertaken on normal commercial terms and within the mandate given by shareholders; and
- Reviewed the Circular to Shareholders on Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and made recommendations to the Board for approval.

Other matters

- Reviewed the terms of reference of the ARMC and recommended its revision to the Board for approval;
- Reviewed and recommended the Management Discussions and Analysis, Corporate Governance Overview Statement, Audit and Risk Management Committee Report, Statement on Risk Management and Internal Control to the Board for its deliberation and approval;
- Evaluated and recommended the following corporate proposal to the Board for deliberation and approval:
 - Acquisition of EMT Systems Sdn Bhd
 - Disposal of Alam Kekal
 - Capital reduction
 - Acquisition of land for development
- Reviewed the Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy to ensure in compliance with good practice recommended by the Malaysian Code of Corporate Governance 2021 and report to the Board the same;
- Reviewed and discuss the Environmental, Social and Governance matters affecting the Group;
- Discussed changes in regulations which may impact the Group;
- Reviewed any conflict of interest situation involving Directors or Senior Management and recommend measures to be taken to resolve, eliminate or mitigate such conflicts for Board's deliberation and approval;
- Reviewed the solvency statement prepared by the management for the declaration of interim dividend and recommend the payment of dividend to the Board for its deliberation and approval.

INTERNAL AUDIT

The Group outsourced its internal audit functions to an external professional firm, Tan Yen Yeow & Company ("TYY") to carry out internal audit services.

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

The principal responsibilities of the internal auditors are to undertake regular and systematic review of the systems of internal controls to provide reasonable assurance that such systems continue to operate effectively and efficiently. TYY and its personnel are free from any relationship or conflict of interest with the Group that could impair their objectivity and independence. The Executive Director of TYY is a member of MIA and IIAM. TYY deployed 2 to 3 persons for each internal audit review of the group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONTINUED)

SUMMARY OF THE ACTIVITIES OF INTERNAL AUDIT DEPARTMENT

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

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

- Follow-up audit for matters raised in the previous financial year;
- Presented the internal audit plan for FY2023;
- Reviewed adequacy and effectiveness of the applicable internal control framework;
- Reviewed the related party transactions undertaken by the Group including the procedures monitoring recurrent related party transactions. It was noted that the accumulated recurrent related party transactions are within the shareholders' mandate;
- Report to the ARMC on a quarterly basis the progress of the audit plan, internal audit reports incorporating audit observations, recommendations, and status of management actions. A total of 4 Internal Audit reports were issued in the year 2023. There were no major weaknesses detected or significant deficiencies noted in the internal controls of the Group.

Total costs incurred for the internal audit function for FY2023 were RM40,000 (FY2022: RM240,333).

The Board has reviewed, deliberated and approved this Audit and Risk Management Committee Report for inclusion in the Annual Report for FY2023 on 29 April 2024.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) is pleased to present the Group’s Statement on Risk Management and Internal Control for the financial year ended 31 December 2023 and made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This statement has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”) endorsed by the Bursa Malaysia Securities Berhad as well as Malaysian Code on Corporate Governance (“MCCG”).

BOARD RESPONSIBILITY

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

The Board recognises that effective risk management and a sound system of internal control are fundamental to good corporate governance and the Board has in place an on-going process for identifying, evaluating, and managing the significant risks encountered by the Group. The Board, through its Audit and Risk Management Committee (‘ARMC’), review results of this process on a periodic basis to ensure adequacy and effectiveness of the Group’s internal control system and resilience in the current business environment.

The Board is of the view that the risk management and internal control system is adequate and operating effectively in all material aspects dealing with risks for the financial year under review and up to the date of issuance of the financial statements to safeguard shareholders’ investment, stakeholders’ interest and the Group’s assets.

However, as the risk management and internal control system is designed to manage and mitigate risks rather than eliminate risks of failure to achieve corporate objectives, the system would therefore provide only reasonable but not absolute assurance against any material misstatements of financial information or losses, contingencies, fraud or irregularities.

MANAGEMENT RESPONSIBILITY

The Board is assisted by Management in designing and implementing its policies and procedures on risk management and internal control. It is the responsibility of management to ensure effective risk management and adequacy of internal control of the Group’s daily business operations and to cultivate a culture of risk awareness within the Group as managing risk is everyone’s responsibility.

The risk owners reside with the Business Unit Head where they are responsible in managing day to day risk management and accountable for on-going risks monitoring, assessment of adequacy and effectiveness of its controls mechanism as well as develop and implement action plans to manage these risks.

AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

RISK MANAGEMENT FRAMEWORK

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

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

- **Identifying and Evaluating Risks:**

All potential and material risks, whether strategic, operation, reporting or compliance levels that could adversely impact the Group's business operations are identified. Management will perform risk assessment which involves developing an understanding of the identified risks and quantified for their likelihood of occurrence and potential impact on the relevant business strategies or objectives.

- **Managing Risks:**

Management will determine appropriate control strategies to address each identified risk and develop action plans to manage residual risk. The Key Risk Indicators (KRI) are also established to monitor risks that are material to the Group. Additionally, Management will conduct periodic reviews and monitor the effectiveness of the action plan towards risk profiles.

- **Reporting Risks**

Management will report to the ARMC the risk profiles in a heat map which focuses on risk mitigation strategies based on risk rating at gross and net levels. The net risk level is determined after taking into consideration various mitigation factors including existing and planned internal controls. Changes to risk profiles and emerging risks are identified and promptly brought to the attention of the ARMC and the Board.

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

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

(a) Control Structure

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

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



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

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

(b) Internal Controls

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

- **Financials**

- (i) Authority Limits

- The Group's organisational structure formalises lines of responsibility and delegation of authority.

- (ii) Financial Performance

- Financial performance and non-financial metrics such as sustainability indicators are assessed against the approved budgets and Management explanations are evaluated for significant and/or unusual variances. The ARMC and Board review the Group's financial results and reports on quarterly basis.

- **Policies and Procedures**

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

- **Ethical Conduct and Compliance**

- (i) Code of Ethics and Code of Conduct

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

- (ii) Whistleblowing Policy

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

- (iii) Anti-Bribery and Anti-Corruption Policy

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

INTERNAL AUDIT FUNCTION

The Group outsources its internal audit function to an external professional firm which reports to the ARMC on matters pertaining to the adequacy and integrity of the Group's system of internal control.

The principal responsibility of the internal auditor is to undertake regular and systematic review of the systems of internal controls to provide reasonable assurance that such systems continue to operate effectively and efficiently. The internal audit is carried out in line with the International Professional Practices Framework endorsed by the Institute of Internal Auditors Malaysia and the internal auditor conducts periodic reviews that include the processes for managing risk management and internal control system. Opportunities for improvements to the system of internal control are identified and presented to the ARMC via internal audit reports whilst the Management formulates relevant action plans to address issues noted on a periodic basis.

During the FY2023, the internal audit function carried out the following activities:

- Presented the internal audit plan to the ARMC;
- Carried out the following internal audit review:
 - Reviewed Revenue and Collection cycles of various operating units;
 - Reviewed Procurement and Payment cycles of various operating units;
 - Reviewed the Group's readiness to comply with Section 17A of the Malaysian Anti-Corruption Commission Act, 2009;
 - Reviewed the Recurrent Related Party Transactions (RRPT);
- Performed follow up review on the implementation of recommendations of previous internal audits; and
- Presented the internal audit reports to the ARMC.

Four (4) Internal Audit Reports were issued and presented to the ARMC with the audit observations and recommended corrective actions. There were no significant deficiencies in controls detected.

BOARD'S REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROLS

During the year, the Board reviewed the adequacy and effectiveness of risk management and internal control system of the Group's as follows:

- Quarterly and annual financial reports were deliberated before being announced;
- The Board, through the ARMC, reviewed the risk management report presented by the Management;
- The Board, through the ARMC, reviewed the internal audit reported presented by the internal auditors; and
- The Board, through the ARMC reviewed with the external auditors the results for the audit for FY2023.

CONCLUSION

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

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

The Board has reviewed, deliberated and approved this Statement on Risk Management and Internal Control for inclusion in the Annual Report for FY2023 on 29 April 2024.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control (“Statement”) pursuant to the scope set out in Audit and Assurance Practice Guide (“AAPG”) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the annual report of the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

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

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

CHANGE OF NAME

The Company changed its name from Malaysian Bulk Carriers Berhad to Maybulk Berhad with effect from 13 December 2023.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are disclosed in Note 15 to the Financial Statements.

There have been no significant changes to these principal activities during the financial year, except as disclosed in Note 15 to the Financial Statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year and attributable to equity holders of the Company	49,646	46,921

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

DIVIDENDS

Since the end of the previous financial year, the dividend paid or declared by the Company are as follows:

	RM'000
Two interim single-tier special dividend of RM0.065 and RM0.035 per ordinary share respectively in respect of financial year ended 31 December 2022 declared on 8 December 2022 and paid on 5 January 2023	100,000
First interim single-tier dividend of RM0.015 per ordinary share in respect of financial year ended 31 December 2023 declared on 30 October 2023 and paid on 4 December 2023	15,000

The Directors do not recommend any final dividend for the financial year ended 31 December 2023.

SHARES AND DEBENTURES

During the financial year, the Company undertook a capital reduction under Section 116 of the Companies Act 2016. The capital reduction was completed on 18 August 2023. Consequently, the share capital of the Company was reduced from RM338,791,327.42 to RM63,791,327.42 comprising 1,000,000,000 shares.

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

DIRECTORS' REPORT

(CONTINUED)

DIRECTORS

The Directors of the Company and its subsidiaries in office during financial year and up to the date of this report are:

Directors of the Company:

Dato' Goh Cheng Huat**
Lin Junliang, Troy**
Yeoh Khooon Cheng
Elsie Kok Yin Mei
Ooi Teik Huat** (appointed on 13 January 2023)
Mohd. Arif Bin Mastol (appointed on 15 June 2023)
Dato' Chin Yoke Kan** (resigned on 13 January 2023)
Dato' Chin Yoke Choon (resigned on 13 January 2023)
Datuk Tan Hong Lai (resigned on 13 January 2023)

** Directors of the Company and certain subsidiaries.

Directors of the Company's subsidiaries:

Goh Ting Hong
Loh Cheng Hon

DIRECTORS' BENEFITS

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

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

- (a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests as disclosed in Note 28 to the Financial Statements; and
- (b) certain Director who received remuneration from a subsidiary as Director of the subsidiary.

**DIRECTORS' REPORT**

(CONTINUED)

DIRECTORS' BENEFITS (CONTINUED)

The details of remuneration receivable by the Directors of the Group and of the Company are as follows:

	2023	
	Group RM'000	Company RM'000
Executive Directors:		
Salaries	1,440	1,201
Fees	4	4
Attendance fees	2	2
	1,446	1,207
Non-executive Directors:		
Fees	279	279
Attendance fees	35	35
	314	314
Total	1,760	1,521

Indemnity and insurance for Directors and Officers

During the financial year, the Directors' and Officers' Liability Insurance up to an aggregate limit of RM20,000,000 was maintained for the Directors and Officers of the Company with a total insurance premium paid of RM31,810.

DIRECTORS' INTERESTS

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

	At 1.1.2023	Number of ordinary shares During the financial year		At 31.12.2023
		Bought	Sold	
Direct interest				
Dato' Goh Cheng Huat	160,000,000	160,000,000	–	320,000,000
Indirect interest				
Dato' Goh Cheng Huat #	150,000	–	–	150,000

Deemed interest by virtue of Section 8 of the Companies Act 2016 through shares held by his spouse.

By virtue of his interests in the ordinary shares of the Company, Dato' Goh Cheng Huat is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at 31 December 2023 had any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

(CONTINUED)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

- (i) the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extents;
- (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
- (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING DATE

Details of significant events during and after the reporting date are disclosed in Note 32 to the Financial Statements.

**DIRECTORS' REPORT****(CONTINUED)****AUDITORS**

The total amount of audit fees payable to the auditors and its member firm of the Group and of the Company for the financial year ended 31 December 2023 amounted to RM379,550 and RM135,000 respectively.

The auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The Group and the Company have agreed to indemnify the auditors, Grant Thornton Malaysia PLT, as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year 31 December 2023.

Signed on behalf of the Board in accordance with a resolution of the Directors,

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

29 April 2024

STATEMENT BY DIRECTORS

We, Dato' Goh Cheng Huat and Ooi Teik Huat, being two of the Directors of Maybulk Berhad (formerly known as Malaysian Bulk Carriers Berhad), do hereby state that in the opinion of the Directors, the financial statements set out on pages from 78 to 124 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors,

Dato' Goh Cheng Huat

29 April 2024

Ooi Teik Huat

STATUTORY DECLARATION

I, Ooi Teik Huat, being the Director primarily responsible for the financial management of Maybulk Berhad (formerly known as Malaysian Bulk Carriers Berhad), do solemnly and sincerely declare that the financial statements set out on pages from 78 to 124 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed at Kuala Lumpur
in Federal Territory on 29 April 2024

Ooi Teik Huat
(MIA No.: CA 21851)

Before me,

Commissioner for Oaths



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAYBULK BERHAD (FORMERLY KNOWN AS MALAYSIAN BULK CARRIERS BERHAD)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Maybulk Berhad (formerly known as Malaysian Bulk Carriers Berhad), which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, including a summary of material accounting policy information, as set out on pages 78 to 124.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

(1) Goodwill on consolidation

The risk

The Group is required to test annually the amount of goodwill for impairment. The impairment testing relies on estimates of value-in-use based on estimated future cash flows.

The annual impairment test of goodwill is significant to our audit because the assessment process used in preparing the estimated future cash flows is complex and highly judgemental and is based on assumptions that are affected by expected future market or economic conditions.

The Group's disclosure about goodwill are included in Note 11 to the Financial Statements.

INDEPENDENT AUDITORS' REPORT

(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (Continued)

(1) Goodwill on consolidation (Continued)

Our response

We performed amongst others, the following audit procedures:

- evaluating the assumptions and methodologies used by the Group, in particular those relating to the forecasted revenue growth, expenses and profit margins.

When evaluating and challenging the key assumptions used by management in conducting the impairment review, we using our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis, in particular the discount rate and long-term growth rate, and comparing the independent expectations to those used by management; challenging the cash flow forecast used; with comparison to recent performance, trend analysis and market expectations; where relevant, assessing whether the Group has achieved them.

- assessed the appropriateness of disclosures of significant inputs in the financial statements.

(2) Impairment of investment in subsidiaries at Company level

The risk

As at 31 December 2023, the carrying amount of the Company's investment in subsidiaries (net of accumulated impairment loss) amounted to RM260.72 million, representing approximately 46.4% of the Company's total assets.

Significant judgements are required by the Directors in assessing the impairment and the recoverability of the investment in subsidiaries. This is based on the value-in-use, using cash flow projections, covering a five-year period for each cash-generating unit. The assumptions with the most significant judgement on the cash flow projections are growth rates and profit margins.

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

Our response

We performed amongst others, the following audit procedures:

- discussed and evaluated management's assessment on the indications of impairment of the investment in subsidiaries including factors that may indicate the impairment loss previously made may be reversed;
- obtained an understanding of and assessed the appropriateness of the methodology and approach used in the impairment assessment; and
- evaluated the reasonableness of the fair value of the assets and liabilities of the subsidiaries including the assumptions applied in determining the recoverable amounts either through fair value less costs to sell or value in use, as part of the impairment assessment.



INDEPENDENT AUDITORS' REPORT

(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

INDEPENDENT AUDITORS' REPORT

(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the Financial Statements.

**INDEPENDENT AUDITORS' REPORT****(CONTINUED)****OTHER MATTERS**

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of the Group and the Company as at 31 December 2022 were audited by another auditors who expressed an unqualified opinion in the financial statements dated 28 April 2023.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
29 April 2024

LEE SHEAU WEI
(NO: 03539/12/2024 J)
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	Restated 2022 RM'000
Revenue	4	128,210	154,779	41,661	39,948
Cost of sales and direct operating expenses		(101,034)	(107,032)	(32,015)	(35,341)
Operating profit		27,176	47,747	9,646	4,607
Gain on disposal of property, plant and equipment		25,342	50,058	-	-
Intangible assets written off		-	(181)	-	(181)
Subsidiary balance written off		-	-	(9)	-
Net reversal of impairment loss/ (impairment loss) on					
- investment in subsidiaries		-	-	36	33,954
- amount due from subsidiaries		-	-	2,270	(2,216)
- trade receivables		-	(228)	-	-
Gain on liquidation/disposal of subsidiaries		9,941	1,996	38,779	128,102
Other operating income, net	5	1,447	5,803	4,008	2,529
Administration expenses		(10,622)	(8,155)	(7,141)	(6,023)
Finance costs		53,284 (530)	97,040 (3,746)	47,589 -	160,772 (417)
Profit before taxation	6	52,754	93,294	47,589	160,355
Taxation	7	(3,108)	(113)	(668)	(53)
Profit for the year		49,646	93,181	46,921	160,302
Other comprehensive income/(loss):					
Items that will be reclassified to profit or loss					
Currency translation differences		10,551	26,893	20,627	18,207
Net change in cash flow hedge		-	(48)	-	-
Reclassification of reserves from equity					
to profit or loss upon the liquidation of:					
- a subsidiary		(9,941)	(1,996)	(38,779)	(11,081)
Total comprehensive income for the year		50,256	118,030	28,769	167,428
Attributable to equity holders of the Company:					
Profit for the year		49,646	93,181		
Total comprehensive income for the year		50,256	118,030		
Basic and diluted earnings per share					
attributable to owners of the Company					
(sen)	8	4.96	9.32		

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



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	31.12.2023 RM'000	Group Restated 31.12.2022 RM'000	Restated 1.1.2022 RM'000
ASSETS				
Non-current assets				
Intangible assets	11	60,326	111	382
Property, plant and equipment	12	119,711	230,820	338,878
Investment properties	13	5,544	–	–
Right-of-use assets	14	644	10,921	55,034
Total non-current assets		186,225	241,852	394,294
Current assets				
Inventories	16	7,937	3,352	6,999
Receivables and other current assets	17	31,561	7,421	11,455
Contract assets		–	–	756
Short-term deposits and investments	19	165,549	321,909	18,000
Cash and bank balances		145,657	57,390	189,174
		350,704	390,072	226,384
Assets held for sale	20	–	7,342	6,945
Total current assets		350,704	397,414	233,329
Total assets		536,929	639,266	627,623
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	21	63,791	338,791	338,791
Cash flow hedge reserve	22(a)	–	–	48
Foreign currency translation reserve	22(b)	59,954	67,511	104,744
Retained earnings		398,563	80,750	25,439
Total equity		522,308	487,052	469,022
Non-current liabilities				
Borrowings	23	615	–	59,102
Lease liabilities	14	309	–	30,508
Derivative financial liabilities		–	–	314
Deferred tax liabilities	24	39	–	–
Total non-current liabilities		963	–	89,924

STATEMENTS OF FINANCIAL POSITION

(CONTINUED)

	Note	31.12.2023 RM'000	Group Restated 31.12.2022 RM'000	Restated 1.1.2022 RM'000
EQUITY AND LIABILITIES (CONTINUED)				
Current liabilities				
Payables and other liabilities	25	10,318	18,160	15,833
Dividend payable		–	100,000	–
Contract liabilities	4	2,330	903	1,808
Borrowings	23	187	–	6,806
Lease liabilities	14	322	33,111	43,686
Tax payable		501	40	544
Total current liabilities		13,658	152,214	68,677
Total liabilities		14,621	152,214	158,601
Total equity and liabilities		536,929	639,266	627,623
ASSETS				
Non-current assets				
Intangible assets	11	134	111	382
Property, plant and equipment	12	119,355	118,597	115,733
Investment properties	13	5,544	–	–
Right-of-use assets	14	–	6	305
Investment in subsidiaries	15	260,722	311,278	386,485
Total non-current assets		385,755	429,992	502,905
Current assets				
Inventories	16	3,254	2,970	3,127
Receivables and other current assets	17	7,961	3,915	2,213
Contract assets		–	–	756
Amounts due from subsidiaries	18	17,308	79	668
Short-term deposits and investments	19	141,560	197,277	15,800
Cash and bank balances		6,489	11,664	14,788
		176,572	215,905	37,352
Assets held for sale	20	–	7,342	6,945
Total current assets		176,572	223,247	44,297
Total assets		562,327	653,239	547,202



STATEMENTS OF FINANCIAL POSITION

(CONTINUED)

	Note	31.12.2023 RM'000	Company Restated 31.12.2022 RM'000	Restated 1.1.2022 RM'000
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	21	63,791	338,791	338,791
Foreign currency translation reserve	22(b)	285,229	311,548	365,802
Retained earnings/(accumulated losses)		172,321	(142,767)	(264,449)
Total equity		521,341	507,572	440,144
Non-current liability				
Lease liabilities		-	-	255
Current liabilities				
Payables and other liabilities	25	4,367	7,624	6,113
Dividend payable		-	100,000	-
Contract liabilities	4	2,330	560	-
Amount due to subsidiaries	18	34,289	37,476	100,614
Lease liabilities	14	-	7	76
Total current liabilities		40,986	145,667	106,803
Total liabilities		40,986	145,667	107,058
Total equity and liabilities		562,327	653,239	547,202

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to Equity Holders of the Company				
	Share capital RM'000	Retained earnings RM'000	Non-distributable		Total RM'000
Cash flow hedge reserve (Note 22(a)) RM'000			Foreign currency translation reserve (Note 22(b)) RM'000		
Group					
At 1 January 2023 (Restated)	338,791	80,750	–	67,511	487,052
Total comprehensive income for the year	–	49,646	–	610	50,256
Capital reduction pursuant to Section 116 of the Companies Act 2016 (Note 32 (b))	(275,000)	275,000	–	–	–
Realisation of currency translation reserve	–	8,167	–	(8,167)	–
Transaction with owners:-					
Dividends (Note 26)	–	(15,000)	–	–	(15,000)
At 31 December 2023	63,791	398,563	–	59,954	522,308
As at 31 December 2021 (previously stated)	338,791	11,302	48	118,881	469,022
Prior year adjustments (Note 2.5)	–	14,137	–	(14,137)	–
At 1 January 2022 (Restated)	338,791	25,439	48	104,744	469,022
Total comprehensive income/ (loss) for the year	–	93,181	(48)	24,897	118,030
Realisation of currency translation reserve (Note 2.5)	–	62,130	–	(62,130)	–
Transaction with owners:-					
Dividends (Note 26)	–	(100,000)	–	–	(100,000)
At 31 December 2022 (Restated)	338,791	80,750	–	67,511	487,052



STATEMENTS OF CHANGES IN EQUITY

(CONTINUED)

	Share capital RM'000	(Accumulated losses)/ Retained earnings RM'000	Non-distributable Foreign currency translation reserve (Note 22(b)) RM'000	Total RM'000
Company				
At 1 January 2023 (Restated)	338,791	(142,767)	311,548	507,572
Total comprehensive income for the year	–	46,921	(18,152)	28,769
Capital reduction pursuant to Section 116 of the Companies Act 2016 (Note 32 (b))	(275,000)	275,000	–	–
Realisation of currency translation reserve	–	8,167	(8,167)	–
Transaction with owners:-				
Dividends (Note 26)	–	(15,000)	–	(15,000)
At 31 December 2023	63,791	172,321	285,229	521,341
As at 31 December 2021 (previously stated)	338,791	(308,290)	409,643	440,144
Prior year adjustments (Note 2.5)	–	43,841	(43,841)	–
At 1 January 2022 (Restated)	338,791	(264,449)	365,802	440,144
Total comprehensive income for the year	–	160,302	7,126	167,428
Realisation of currency translation reserve (Note 2.5)	–	61,380	(61,380)	–
Transaction with owners:-				
Dividends (Note 26)	–	(100,000)	–	(100,000)
At 31 December 2022 (Restated)	338,791	(142,767)	311,548	507,572

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities					
Profit before taxation		52,754	93,294	47,589	160,355
Adjustments for:					
Amortisation of intangible assets	11	45	209	45	209
Bad debts written off		23	–	–	–
Depreciation of property, plant and equipment	12	10,138	12,148	5,890	5,424
Depreciation of investment properties	13	171	–	171	–
Depreciation of right-of-use assets	14	8,801	44,370	6	75
Provision for expected credit losses on trade receivables	17	–	228	–	–
Discontinuation of hedge instrument		–	(603)	–	–
Dividend income		–	–	(6,400)	(2,300)
Gain on disposal of property, plant and equipment		(25,342)	(50,058)	–	–
Intangible assets written off		–	181	–	181
Subsidiary balance written off		–	–	9	–
Unrealised foreign exchange loss/(gain)		11,989	(4,819)	11,530	(4,840)
Interest income		(8,086)	(5,230)	(4,302)	(462)
Finance costs		530	3,746	–	417
(Net reversal of impairment loss)/ impairment loss on					
- investments in subsidiaries		–	–	(36)	(33,954)
- amount due from subsidiaries		–	–	(2,270)	2,216
Lease modification		1,701	(18)	–	(18)
Gain on liquidation/disposal of subsidiaries		(9,941)	(1,996)	(38,779)	(128,102)
Operating profit/(loss) before working capital changes		42,783	91,452	13,453	(799)
Changes in working capital:					
Consumable stores		(289)	3,693	(270)	264
Receivables and other current assets		(12,751)	6,804	(2,887)	(2,190)
Contract assets		–	756	–	757
Payables and other liabilities		(18,866)	5,125	(4,175)	1,597
Contract liabilities		1,428	(905)	1,770	560
Subsidiaries		–	–	(11,952)	(81,508)
Cash generated from/(used in) operations		12,305	106,925	(4,061)	(81,319)
Tax paid, net of tax refund		(3,246)	(179)	(591)	(122)
Net cash flows from/(used in) operating activities		9,059	106,746	(4,652)	(81,441)



STATEMENTS OF CASH FLOWS

(CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	12	(47)	(1,797)	(12)	(1,797)
Acquisition of intangible assets	11	(62)	(111)	(62)	(111)
Subscription of shares in subsidiaries		–	–	(2,000)	–
Redemption of preference shares in subsidiary		–	–	133,097	144,014
Proceeds from disposal of subsidiary		–	–	–	119,352
Dividends from subsidiaries		–	–	2,000	2,300
Interest received		8,086	5,230	4,210	347
Proceeds from disposal of property, plant and equipment		133,447	160,584	15	14
Acquisition of a subsidiary, net of cash acquired	15	(63,433)	–	(70,000)	–
Loan to a subsidiary		–	–	(3,000)	–
Net cash flows from investing activities		77,991	163,906	64,248	264,119
Cash flows from financing activities					
Dividends paid to shareholders		(115,000)	–	(115,000)	–
Finance costs paid	33	(530)	(3,190)	–	(417)
Payments for derivatives	33	–	(285)	–	–
Repayment of borrowings	33	(157)	(66,470)	–	–
Payment of principal portion of lease liabilities	33	(32,851)	(42,161)	(7)	(82)
Net cash used in financing activities		(148,538)	(112,106)	(115,007)	(499)
Net change in cash and cash equivalents		(61,488)	158,546	(55,411)	182,179
Effects of foreign exchange rate changes		(6,605)	13,579	(5,481)	(3,826)
Cash and cash equivalents brought forward		379,299	207,174	208,941	30,588
Cash and cash equivalents carried forward		311,206	379,299	148,049	208,941
Cash and cash equivalents comprise:					
Short-term deposits and investments		165,549	321,909	141,560	197,277
Cash and bank balances		145,657	57,390	6,489	11,664
		311,206	379,299	148,049	208,941

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2023

1. CORPORATE INFORMATION

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

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

The principal activities of the subsidiaries are disclosed in Note 15 to the Financial Statements.

There have been no significant changes to these principal activities during the financial year except as disclosed in Note 15 to the Financial Statements.

The Company changed its name from Malaysian Bulk Carriers Berhad to Maybulk Berhad with effect from 13 December 2023.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 April 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance and basis of measurement

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

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

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

2.2 Foreign currency

(i) Functional and presentation currency

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

2.3 Adoption of Amendments to MFRSs

On 1 January 2023, the Group and the Company adopted the followings new and amended MFRSs and interpretation mandatory for annual financial periods being on or after 1 January 2023. The details of the amendments are disclosed below:

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

(CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)**2.3 Adoption of Amendments to MFRSs (Continued)****Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies (Continued)**

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The MASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments to MFRS 108 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

This distinction between these two types of changes is important as changes in accounting policies are normally applied retrospectively to past transactions and events, whereas changes in accounting estimates are applied prospectively to future transactions and events.

The amendments had no impact on the Group's consolidated financial statements.

2.4 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
MFRS 16*#: Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)	1 January 2024
MFRS 101: Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
MFRS 101: Presentation of Financial Statements - Non-current Liabilities with Covenants (Amendment to MFRS 101 Presentation of Financial Statements)	1 January 2024
MFRS 107*#: Statement of Cash Flows and Financial Instruments: Disclosure - Supplier Finance Arrangements (Amendment to MFRS 107*)	1 January 2024
MFRS 121*#: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
MFRS 10 and MFRS 128*#: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

* Not applicable for the Group's operations

Not applicable to the Company's operation

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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.5 Prior year adjustments

For companies in the Group where the functional currency is different from the reporting currency, during the year, the Group and the Company adopted an accounting policy to reverse the cumulative foreign currency translation reserve associated with non-current assets when such asset is disposed, monetised or written off and to reverse the cumulative foreign currency translation reserve associated with monetary assets when such monetary assets is paid out as dividend.

The Group and the Company recognise as prior year adjustments, the reversals arose from the past disposals, monetisation and write-off of non-current assets and payment of dividends in prior years.

When the Group or the Company fully disposed of or redemption of its investment in subsidiaries from the operations that denominated in functional currencies other than RM, the cumulative amount in the foreign currency translation reserve related to that investment is reclassified to profit or loss as part of the profit or loss on disposal. When the Group or the Company distribute the dividend from the operations that denominated in functional currencies other than RM, the cumulative amount in the foreign currency translation reserve related to the realisation portion is reclassified to retained earnings as and when the dividend is declared.

The following table summarises the impact of the change in policy on the financial statements of the Group and of the Company. There is no material impact on the Group's basic or diluted earnings per share and no impact on the total operating, investing or financing cash flows for the year ended 31 December 2022 and 31 December 2023.

	Impact of prior year adjustments			As restated RM'000
	As previously reported RM'000	Adjustments (a) RM'000	Adjustments (b) RM'000	
Statements of Financial Position				
Equity attributable to equity holders of the Company				
Group				
At 1 January 2022:				
Foreign currency translation reserve	118,881	(14,137)	–	104,744
Retained earnings	11,302	14,137	–	25,439
<hr/>				
At 31 December 2022:				
Foreign currency translation reserve	129,641	(62,130)	–	67,511
Retained earnings	18,620	62,130	–	80,750
<hr/>				
Company				
At 1 January 2022:				
Foreign currency translation reserve	409,643	(10,232)	(33,609)	365,802
(Accumulated losses)	(308,290)	10,232	33,609	(264,449)
<hr/>				
At 31 December 2022:				
Foreign currency translation reserve	384,009	(61,380)	(11,081)	311,548
(Accumulated losses)	(215,228)	61,380	11,081	(142,767)
<hr/>				



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)**2.5 Prior year adjustments (Continued)**

	Impact of prior year adjustments			As restated RM'000
	As previously reported RM'000	Adjustments (a) RM'000	Adjustments (b) RM'000	
Statements of Profit or Loss and Other Comprehensive Income				
Company				
For the financial year ended 31 December 2022:				
Gain on liquidation/disposal of subsidiaries	117,021	–	11,081	128,102
Profit for the year	149,221	–	11,081	160,302
Other comprehensive income/(loss):	18,207	–	(11,081)	7,126

(a) Being realisation of foreign currency translation reserve upon declaration of dividends.

(b) Being realisation of foreign currency translation reserve upon disposal of or redemption of its investment in subsidiaries.

3. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies, as summarised below, consistently throughout all years presented in the financial statements, unless otherwise stated.

3.1 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using first-in, first-out basis.

3.2 Intangible assets

Intangible assets, other than goodwill that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less accumulated amortisation and less any accumulated impairment losses.

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

3.3 Property, plant and equipment**(a) Recognition and measurement**

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (Continued)

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

Leasehold properties are depreciated over the shorter of their estimated useful lives and the lease terms, i.e. 87 years.

Depreciation of new vessels is calculated using the straight-line method to write off the cost, less estimated scrap value over their estimated useful lives of 25 years, whilst for used vessels purchased, depreciation is calculated using the straight-line method to write off the cost less estimated scrap value over their remaining useful lives.

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

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

Other property, plant and equipment are depreciated based on the useful lives of the assets are as follows:

Office equipment	3 - 5 years
Machinery	6.67 years
Renovations	3 - 5 years
Furniture and fittings	5 - 10 years
Store racking	5 years
Motor vehicle	5 years

3.4 Financial instruments

(i) Financial assets

The Group's and the Company's financial assets at amortised cost include receivables and most of the other current assets, amount due from subsidiaries, short-term deposits and investments and cash and bank balances.

(ii) Financial liabilities

The Group's and the Company's financial liabilities at amortised cost includes payables and other liabilities, dividend payable, amount due to subsidiaries and borrowings.

3.5 Leases

(i) Recognition exemption

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS**

(CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.5 Leases (Continued)****(ii) Depreciation**

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Vessels	2 - 4 years
Office lease	3 years
Buildings	2 years
Motor vehicles	5 years

3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation. Leasehold properties are depreciated over the shorter of their estimated useful lives and lease terms, i.e. 87 years.

3.7 Fair value measurements

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

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

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

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Significant accounting judgements and estimates

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

Key sources of estimation uncertainty

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

Recoverable amounts of vessels

The recoverable amount of vessel classified as property, plant and equipment is determined based on the higher of its fair value less costs to sell and its value-in-use ("VIU"), whereas the recoverable amount of vessel classified as right-of-use asset is based on its VIU. When fair value less costs to sell is used, management engages the services of professional valuers to determine the fair values based on past transactions in the industry with comparable characteristics as at previous financial year.

The carrying amounts of the Group's and of the Company's vessels classified as property, plant and equipment and right-of-use assets are disclosed in Notes 12 and 14 to the Financial Statements respectively.

Impairment of investment in subsidiaries

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

In performing the impairment assessment, the Company estimates the recoverable amounts of the investment in subsidiaries by making reference to the fair value of their assets and liabilities including the recoverable amounts of the subsidiaries. The carrying amounts of the Company's investment in subsidiaries as at 31 December 2023 are disclosed in Note 15 to the Financial Statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit ("CGU") and determines a suitable interest rate in order to calculate the present value of those cash flows.

The recoverable amount of a CGU is determined based on VIU calculations using cash flow projections derived from financial budgets approved by management. Management has made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining appropriate pre-tax discount rates and growth rates.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustments to market risk and the appropriate adjustment to asset-specific risk factors.



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Significant accounting judgements and estimates (Continued)

Key sources of estimation uncertainty (Continued)

Classification between investment properties and owner-occupied properties

The Group and the Company determine whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group and the Company consider whether a property generates cash flows largely independently of the other assets held by the Group and the Company.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group and the Company account for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Provision for expected credit losses of receivables

The Group and Company use a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's and the Company's core business is subject to economical changes which may cause selling prices to change rapidly and the Group's and the Company's result to change.

Determining the functional currency

Judgement is applied in determining the Group's and the Company's functional currency wherever the indications are mixed. The Group and the Company use, in hierarchy, sales indicators as the primary basis, followed by purchases and operating expense indicators, and in the event that those indicators are not conclusive, the currency in which borrowings and other funds are raised for financing the Group's and the Company's operations.

Income taxes

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax provisions in the year in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers:				
- Freight and charter hire	71,350	154,466	41,661	39,948
- Ship brokerage and management	-	313	-	-
- Supply, design, consult and installation work of racking and shelving products	56,860	-	-	-
	128,210	154,779	41,661	39,948
Timing and recognition:				
- Recognised over time	71,350	154,779	41,661	39,948
- At a point in time	56,860	-	-	-
	128,210	154,779	41,661	39,948
Contract balances				
Trade receivables (Note 17)	19,178	5,337	6,331	2,933
Contract liabilities	2,330	903	2,330	560

(a) Revenue from freight services

Voyage charter

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

Time charter

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

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

(c) Revenue from sale of goods is recognised at a point in time when the control of the asset is transferred to the customer, generally upon delivery of goods.

Contract liabilities represent charter hire received in advance for freight services at reporting date and the balances of this account vary depending on the billing cycle on time charters. The amount of revenue recognised in the financial year that was included in contract liabilities of the Group at the beginning of the year was RM903,000 (2022: RM1,808,000). The increase of contract liabilities related to increase of deposits made by customers for the freight services which yet to be performed by the Group as at the reporting date.



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. REVENUE (CONTINUED)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	Group	
	2023 RM'000	2022 RM'000
Contract of affreightment (COA)		
Due within 1 year	25,130	23,500
Due later than 1 year and not later than 5 years	100,314	94,067
Due later than 5 years	66,808	86,212
	192,252	203,779

The amounts comprise of estimated freight receivable under a 15-year COA with a customer.

5. OTHER OPERATING INCOME, NET

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income	8,086	5,230	4,302	462
Dividend income	-	-	6,400	2,300
Income from shared services	-	210	-	493
Foreign exchange (loss)/gain, net				
- realised	5,303	(5,842)	4,817	(5,586)
- unrealised	(11,989)	4,819	(11,530)	4,840
Offhire claim from owner (Note 14)	-	553	-	-
Lease modification (Note 14)	-	18	-	18
Gain on discontinuation of hedge instrument	-	603	-	-
Miscellaneous income	47	212	19	2
	1,447	5,803	4,008	2,529

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. PROFIT BEFORE TAXATION

Profit before taxation has been determined after crediting amongst others, the following items:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration:				
Grant Thornton Malaysia PLT				
- statutory audit	304	-	125	-
- other services	10	18	10	18
Grant Thornton member firms				
- statutory audit	66	-	-	-
Other external auditors				
- statutory audit	-	440	-	206
- underprovision in prior year	166	22	94	24
Realised gain/(loss) on foreign exchange	5,303	(5,842)	4,817	(5,586)
Finance costs				
- term loans	62	597	-	-
- revolving credit	-	411	-	411
- lease liabilities (Note 14)	468	2,371	-	6
- others	-	367	-	-
	530	3,746	-	417

7. TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax:				
Malaysian income tax	2,593	109	765	97
Foreign tax	247	45	-	-
Under/(over) provision in prior years	268	(41)	(97)	(44)
	3,108	113	668	53

Malaysian income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the year. Taxation in foreign jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The shipping income of the Group that is derived from the operations of sea-going Malaysian registered ships and Singapore registered ships is exempted from tax under Malaysian Income Tax (Exemption) (No.7) Order 2022 and Section 13A of the Singapore Income Tax Act respectively. The income tax expense for the Group is attributable to tax in respect of non-tax exempt activities of the Group, mainly from shelving and storage solution segment.



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7. TAXATION (CONTINUED)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation	52,754	93,294	47,589	160,355
Taxation at Malaysian tax rate of 24% (2022: 24%)	12,661	22,391	11,421	38,485
Effects of different tax rates in foreign jurisdictions	(102)	(19)	–	–
Tax exempt shipping income	(6,631)	(16,677)	(3,044)	(29,396)
Results of companies incorporated in British Virgin Islands (BVI)	(2,733)	(555)	–	–
Income not subject to tax	(4,410)	(9,062)	(10,936)	(10,827)
Expenses not deductible for tax purposes	4,055	4,076	3,324	1,835
Under/(over) provision in prior years	268	(41)	(97)	(44)
Taxation for the year	3,108	113	668	53

8. EARNINGS PER SHARE**Basic and diluted earnings per share ("EPS")**

The basic EPS is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year. Diluted EPS equals to Basic EPS as there is no dilutive potential ordinary shares outstanding in the current and previous financial years.

	Group	
	2023	2022
Group's profit attributable to equity holders of the Company (RM'000)	49,646	93,181
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000
Basic earnings per share (sen)	4.96	9.32

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. PERSONNEL EXPENSES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, salaries and bonus	10,677	10,296	5,891	5,017
Pension costs				
- defined contribution plans	405	266	289	231
Social security costs	24	10	9	8
Other staff related expenses	2,589	4,514	1,230	1,637
	13,695	15,086	7,419	6,893

Included in personnel expenses of the Group and of the Company are Executive Directors' remuneration amounting to RM1,446,000 (2022: RM170,000) and RM1,207,000 (2022: RM170,000) respectively, as further disclosed in Note 10 to the Financial Statements.

10. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive Directors:				
Salaries	1,440	–	1,201	–
Fees	4	156	4	156
Attendance fees	2	14	2	14
	1,446	170	1,207	170
Non executive Directors:				
Fees	279	340	279	340
Attendance fees	35	43	35	43
	314	383	314	383
Total	1,760	553	1,521	553



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11. INTANGIBLE ASSETS

	Goodwill RM'000	Computer software RM'000	Asset in progress RM'000	Total RM'000
Group				
Cost				
At 1 January 2022	–	3,689	–	3,689
Additions	–	–	111	111
Write off	–	(4,454)	–	(4,454)
Translation difference	–	801	–	801
At 31 December 2022	–	36	111	147
Additions	60,192	62	–	60,254
Write off	–	(51)	–	(51)
Reclassification	–	111	(111)	–
Translation difference	–	21	–	21
At 31 December 2023	60,192	179	–	60,371
Accumulated amortisation				
At 1 January 2022	–	3,307	–	3,307
Amortisation for the year	–	209	–	209
Write off	–	(4,273)	–	(4,273)
Translation difference	–	793	–	793
At 31 December 2022	–	36	–	36
Amortisation for the year	–	45	–	45
Write off	–	(51)	–	(51)
Translation difference	–	15	–	15
At 31 December 2023	–	45	–	45
Net carrying amount				
At 31 December 2023	60,192	134	–	60,326
At 31 December 2022	–	–	111	111

Goodwill of the Group arose mainly from the acquisition of EMT Systems Sdn. Bhd.. The details are disclosed in the Note 15 to the Financial Statements. The aggregate carrying amount of goodwill allocated to shelving & storage solution segment.

The recoverable amount for the goodwill was based on its VIU and was determined by discounting the future cash flows generated from the continuing use of those units and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and a 5-year business plan;
- Revenue was projected at anticipated annual revenue growth of approximately 2% to 8% per annum;
- Expenses were projected at annual increase of approximately 5% per annum; and
- A pre-tax discount rate of 10.72% was applied in determining the recoverable amount of goodwill. The discount rate was estimated based on the weighted average cost of capital the Group plus a reasonable risk premium.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11. INTANGIBLE ASSETS (CONTINUED)

	Computer software RM'000	Asset in progress RM'000	Total RM'000
Company			
Cost			
At 1 January 2022	2,426	–	2,426
Additions	–	111	111
Write off	(3,227)	–	(3,227)
Translation difference	801	–	801
At 31 December 2022	–	111	111
Additions	62	–	62
Reclassification	111	(111)	–
Translation difference	6	–	6
At 31 December 2023	179	–	179
Accumulated amortisation			
At 1 January 2022	2,044	–	2,044
Amortisation for the year	209	–	209
Write off	(3,046)	–	(3,046)
Translation difference	793	–	793
At 31 December 2022	–	–	–
Amortisation for the year	45	–	45
At 31 December 2023	45	–	45
Net carrying amount			
At 31 December 2023	134	–	134
At 31 December 2022	–	111	111

The amortisation of computer software is included in administration expenses.



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

12. PROPERTY, PLANT AND EQUIPMENT

	Vessels RM'000	Dry docking RM'000	Leasehold properties RM'000	Machinery, motor vehicle, store racking, office equipment, renovations, furniture and fittings RM'000	Total RM'000
Group					
Cost					
At 1 January 2022	374,499	3,096	–	1,925	379,520
Additions	–	1,754	–	43	1,797
Disposals and write off	(123,308)	(1,501)	–	(1,023)	(125,832)
Translation difference	14,356	97	–	(659)	13,794
At 31 December 2022	265,547	3,446	–	286	269,279
Additions	–	–	–	47	47
Disposals and write off	(130,338)	(1,687)	–	(138)	(132,163)
Acquisition through business combinations	–	–	–	722	722
Transfer from assets held for sale	–	–	2,747	–	2,747
Translation difference	5,415	70	–	69	5,554
At 31 December 2023	140,624	1,829	2,747	986	146,186
Accumulated depreciation					
At 1 January 2022	38,626	216	–	1,800	40,642
Charge for the year	10,622	1,452	–	74	12,148
Disposals and write off	(14,061)	(252)	–	(993)	(15,306)
Translation difference	1,610	25	–	(660)	975
At 31 December 2022	36,797	1,441	–	221	38,459
Acquisition through business combinations	–	–	–	287	287
Charge for the year	8,582	1,365	58	133	10,138
Disposals and write off	(22,778)	(1,157)	–	(123)	(24,058)
Transfer from assets held for sale	–	–	827	–	827
Translation difference	726	32	–	64	822
At 31 December 2023	23,327	1,681	885	582	26,475
Net carrying amount					
At 31 December 2023	117,297	148	1,862	404	119,711
At 31 December 2022	228,750	2,005	–	65	230,820

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Vessels RM'000	Dry docking RM'000	Leasehold properties RM'000	Office equipment, renovations, furniture and fittings RM'000	Total RM'000
Company					
Cost					
At 1 January 2022	127,899	–	–	3,359	131,258
Additions	–	1,754	–	43	1,797
Disposals and write off	–	–	–	(620)	(620)
Translation difference	7,310	5	–	(670)	6,645
At 31 December 2022	135,209	1,759	–	2,112	139,080
Additions	–	–	–	12	12
Disposals and write off	–	–	–	(102)	(102)
Transfer from asset held for sale	–	–	2,747	–	2,747
Translation difference	5,415	70	–	78	5,563
At 31 December 2023	140,624	1,829	2,747	2,100	147,300
Accumulated depreciation					
At 1 January 2022	12,268	–	–	3,257	15,525
Charge for the year	4,620	736	–	68	5,424
Disposals and write off	–	–	–	(606)	(606)
Translation difference	811	1	–	(672)	140
At 31 December 2022	17,699	737	–	2,047	20,483
Charge for the year	4,904	912	58	16	5,890
Disposals and write off	–	–	–	(87)	(87)
Transfer from asset held for sale	–	–	827	–	827
Translation difference	724	32	–	76	832
At 31 December 2023	23,327	1,681	885	2,052	27,945
Net carrying amount					
At 31 December 2023	117,297	148	1,862	48	119,355
At 31 December 2022	117,510	1,022	–	65	118,597

During the year, the Group disposed of 1 vessel (2022: 1 vessel) which gave rise to a gain on disposal of RM25,342,000 (2022: RM50,058,000).



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. INVESTMENT PROPERTIES

	Leasehold properties RM'000
Group and Company	
Cost	
At 1 January 2022/31 December 2022	–
Transfer from assets held for sale	8,177
<hr/>	
At 31 December 2023	8,177
<hr/>	
Accumulated amortisation	
At 1 January 2022/31 December 2022	–
Transfer from assets held for sale	2,462
Charge for the year	171
<hr/>	
At 31 December 2023	2,633
<hr/>	
Net carrying amount	
At 31 December 2023	5,544
<hr/>	
At 31 December 2022	–
<hr/>	

The fair value of investment properties as at 31 December 2023 was RM8,645,000. The appraised values of the investment properties of the Group and the Company was estimated by the Directors based on recent transacted prices in the market of properties were derived from observed prices per square foot for comparable properties in similar condition and location (i.e. Level 2).

The following are recognised in profit or loss in respect of investment properties:

	Group and Company 2023 RM'000
Direct operating expenses	
- Non-income generating investment properties	48
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NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Vessels RM'000	Warehouse & office lease RM'000	Motor vehicles RM'000	Total RM'000
Group				
Cost				
At 1 January 2022	176,008	448	–	176,456
Lease modification	(2,288)	(224)	–	(2,512)
Translation difference	10,059	–	–	10,059
At 31 December 2022	183,779	224	–	184,003
Additions	–	426	–	426
Acquisition through business combinations	–	714	475	1,189
Lease modification	(2,374)	–	–	(2,374)
Derecognition	(142,327)	(938)	–	(143,265)
Translation difference	(39,078)	–	–	(39,078)
At 31 December 2023	–	426	475	901
Accumulated depreciation				
At 1 January 2022	121,279	143	–	121,422
Charge for the year	44,295	75	–	44,370
Translation difference	7,290	–	–	7,290
At 31 December 2022	172,864	218	–	173,082
Acquisition through business combinations	–	578	116	694
Charge for the year	8,518	196	87	8,801
Derecognition	(142,327)	(938)	–	(143,265)
Translation difference	(39,055)	–	–	(39,055)
At 31 December 2023	–	54	203	257
Net carrying amount				
At 31 December 2023	–	372	272	644
At 31 December 2022	10,915	6	–	10,921



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Right-of-use assets (continued)

	Office lease RM'000
Company	
Cost	
At 1 January 2022	448
Lease modification	(224)
<hr/>	
At 31 December 2022	224
Derecognition	(224)
<hr/>	
At 31 December 2023	–
Accumulated depreciation	
At 1 January 2022	143
Charge for the year	75
<hr/>	
At 31 December 2022	218
Charge for the year	6
Derecognition	(224)
<hr/>	
At 31 December 2023	–
Net carrying amount	
At 31 December 2023	–
<hr/>	
At 31 December 2022	6
<hr/>	

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease liabilities

Group as a lessee

The Group has lease contracts for motor vehicles and warehouse lease of between 1 to 3 years lease term.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	33,111	74,194	7	331
Addition	426	–	–	–
Acquisition through business combinations	482	–	–	–
Accretion of interest	468	2,371	–	6
Payment of lease liabilities	(33,319)	(43,979)	(7)	(88)
Offhire claim from owner (Note 5)	–	(553)	–	–
Lease modification	(673)	(2,530)	–	(242)
Translation difference	136	3,608	–	–
At 31 December	631	33,111	–	7
Repayable within 12 months	322	33,111	–	7
Repayable after 12 months	309	–	–	–
	631	33,111	–	7

The following are amounts recognised in profit or loss:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income from subleasing right-of-use assets	12,187	63,378	–	–
Lease modification (Note 5)	–	18	–	18
Offhire claim from owner (Note 5)	–	553	–	–
Depreciation of right-of-use assets	8,801	44,370	6	75
Interest expense on lease liabilities	468	2,371	–	6
Expense relating to short-term lease (included in operating expenses)	203	–	55	–
Expense relating to leases of low-value assets (included in administration expenses)	–	8	–	7

The Group and the Company had total cash outflows for leases of RM33,522,000 (2022: RM44,540,000) and RM62,000 (2022: RM95,000) respectively for the financial year ended 31 December 2023.



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At 1 January	1,427,812	1,474,777
Acquisition/subsorption of ordinary shares ("OS") of a subsidiary	72,000	–
Subscription of redeemable preference shares ("RPS")	–	16,762
Redemption of RPS	(133,097)	(144,014)
Disposal of a subsidiary	–	(2,331)
Translation difference	55,254	82,618
Unquoted shares, at cost	1,421,969	1,427,812
Less: Accumulated impairment loss		
At 1 January	(1,116,534)	(1,088,292)
Recognised during the year	(4,588)	(17,861)
Reversal of impairment loss	4,624	51,815
Translation difference	(44,749)	(62,196)
At 31 December	(1,161,247)	(1,116,534)
Net carrying amount at 31 December	260,722	311,278

Acquisition/subsorption of OS of a subsidiary

On 30 January 2023, the Company acquired 1,000,000 ordinary shares, representing 100% of total issued shares in EMT Systems Sdn. Bhd. ("EMTS") for a total cash consideration of RM70,000,000. On 12 September 2023, the Company further subscribed for additional 2,000,000 ordinary shares in EMTS for a total cash consideration of RM2,000,000.

The fair values of the assets and liabilities acquired and the goodwill arising are as follow:-

	EMTS RM'000
Property, plant and equipment	435
Right-of-use assets	495
Cash and cash equivalent	6,567
Trade receivables	10,792
Inventories	4,282
Trade creditors	(10,066)
Amount due to a Director	(599)
Lease liabilities	(482)
Tax payable	(618)
Deferred tax liabilities	(39)
Borrowings	(959)
Net assets/Total identifiable net assets	9,808
Goodwill	60,192
Fair value of consideration transferred	70,000
Less: Cash and cash equivalent acquired	(6,567)
Net cash inflow from acquisition of a subsidiary	63,433

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the subsidiaries into the Group's existing business.

Acquisition-related costs

The Group incurred acquisition-related costs of RM78,080 related to external legal fees and due diligence costs. The expenses have been included in administration expenses in the profit or loss.

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary has contributed RM56,860,000 and RM6,321,000 to the Group's revenue and profit for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and profit for the financial year from its continuing operations would have been RM60,755,000 and RM6,134,000 respectively.

There was no acquisition in the prior year.

Subscription/redemption of RPS

During the financial year, Lightwell Shipping Inc. had redeemed 7,500 units RPS at USD4,000 per unit from the Company, by cash payment amounting to RM133,097,000.

In previous financial year, the Company subscribed to 1,000 units (2021: 375 units) of RPS at USD4,000 per unit issued by a subsidiary, Maybulk (Singapore) Pte Ltd (formerly known as Velorum Shipping Pte Ltd), by capitalising the amount due from the subsidiary amounting to RM16,762,000.

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

Disposal of a subsidiary

In previous financial year, the Company disposed off a subsidiary, New Johnson Holdings Limited to another wholly owned subsidiary, Lightwell Shipping Inc. for a cash consideration of RM119,352,000 which resulted in a gain on disposal of RM117,021,000.

Reversal of cumulative foreign currency translation reserve

During the financial year, total reversal of cumulative foreign currency translation reserve to statements of profit or loss upon liquidation of subsidiaries and redemption of RPS by subsidiaries are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	Restated 2022 RM'000
Transfer of cumulative foreign exchange reserve upon liquidation and/or redemption of RPS	9,941	1,996	38,779	11,081



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Impairment

The Company performs an impairment assessment of its investment in subsidiaries whenever there is an indication that the investments may be impaired or the impairment loss made previously may be reversed. In performing the impairment assessment, the Company estimates the recoverable amounts of the related subsidiaries by making reference to the fair value of their assets and liabilities. As a result of the impairment assessment, the Company recognised a net reversal of impairment loss of RM0.036 million (2022: RM33.95 million).

Details of the Level 3 fair value method used in obtaining the recoverable amount are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net assets method which derives the fair values of an investee's equity instruments by reference to the fair values of its assets and liabilities	Fair values of its assets and liabilities	The higher the net assets, the higher the fair values

Details of the subsidiaries are as follows:

Company	Principal place of business	Equity interest		Principal activities
		2023	2022	
PSM Perkapalan Sdn. Bhd.	Malaysia	100%	100%	Manager of ship
Pacific Ship-Managers Sdn. Bhd.	Malaysia	100%	100%	Ship operator, shipbroker and general shipping
- Spectrapoint Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Lightwell Shipping Inc	BVI	100%	100%	Investment holding
- Everspeed Enterprises Limited ^[2]	BVI	100%	100%	Ship operator, inactive
- Novel Bright Assets Limited ^[5]	BVI	-	100%	Investment holding
- Brilliant Star Shipping Pte Ltd ^[5]	Singapore	-	100%	Owner and operator of vessels, inactive
- New Johnson Holdings Limited	BVI	100%	100%	Investment holding
- Madu Shipping Pte Ltd ^{[3][4]}	Singapore	100%	100%	Owner and operator of vessels, inactive
- Molek Shipping Pte Ltd ^{[3][4]}	Singapore	100%	100%	
- Sejahtera Shipping Pte Ltd ^{[3][4]}	Singapore	100%	100%	
- Kuku Shipping Pte Ltd ^{[3][4]}	Singapore	100%	100%	
- Kekal Shipping Pte Ltd ^[1]	Singapore	100%	100%	
Alam Budi Sdn. Bhd. ^[2]	Malaysia	100%	100%	
Maybulk (Singapore) Pte Ltd ^[1] (formerly known as Velorum Shipping Pte Ltd)	Singapore	100%	100%	Ship operator, inactive

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Company	Principal place of business	Equity interest		Principal activities
		2023	2022	
MBC Logistic Hub Sdn. Bhd. ^{[2][6]} (formerly known as MBC Retail Sdn. Bhd.)	Malaysia	100%	100%	Industrial property development and investment
EMT Systems Sdn. Bhd.	Malaysia	100%	–	Supply, design, consult and installation work of racking and shelving products
MBC Capital Management Sdn. Bhd. ^[7]	Malaysia	–	100%	Investment holding, inactive

^[1] Subsidiaries audited by a member firm of Grant Thornton International^[2] Subsidiaries not carrying on any business activities during the financial year^[3] Subsidiaries in members' voluntary winding-up^[4] Not audited by Grant Thornton Malaysia PLT or a member firm of Grant Thornton International^[5] Subsidiaries were liquidated during the year^[6] The principal activity of MBC Logistic Hub Sdn. Bhd. (formerly known as MBC Retail Sdn. Bhd.) was changed from retail to industrial property development and investment^[7] Subsidiary was struck off during the year

16. INVENTORIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At cost				
- consumable stores	3,254	3,352	3,254	2,970
- finished goods	4,683	–	–	–
	7,937	3,352	3,254	2,970

Inventories of the Group and the Company of RM61,896,000 (2022: RM15,662,000) and RM13,460,000 (2022: RM14,808,000) respectively were charged to profit or loss during the financial year.

Consumable stores include lubricant oil stocks, bunkers and ship provision and etc. while finished goods include the parts and spares of the racking system.



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

17. RECEIVABLES AND OTHER CURRENT ASSETS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables:				
- third parties	18,680	5,567	6,331	2,933
- related parties (unsecured)	737	-	-	-
Less: Provision for expected credit losses				
At 1 January	(230)	(1,790)	-	-
Charge for the year	-	(228)	-	-
Write off	-	1,790	-	-
Translation difference	(9)	(2)	-	-
At 31 December	(239)	(230)	-	-
Trade receivables, net (Note 4)	19,178	5,337	6,331	2,933
Tax recoverable	405	720	398	475
Deposits (refundable)	10,012	110	101	97
Prepayments	675	281	254	129
Non-trade receivables	1,291	973	877	281
	31,561	7,421	7,961	3,915

The ageing analysis of trade receivables is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Past due less than 6 months not impaired	17,916	5,337	6,331	2,933
Past due over 6 months not impaired	1,262	-	-	-
Impaired	239	230	-	-
	19,417	5,567	6,331	2,933

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

Trade receivables generally have average credit term of 14 to 90 (2022: 30) days. Trade receivables are mainly due from customers that have good credit ratings. As at reporting date, the Group and the Company have significant concentration of credit risk in the form of outstanding balances due from 2 (2022: 2) and 1 (2022: 1) customers respectively, representing 49% (2022: 96%) and 100% (2022: 100%) of the Group's and the Company's trade receivables respectively.

The amount due from related parties in which certain Directors or Directors of a subsidiary deemed to have substantial financial interests was subject to normal trade term.

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

Included in Group's deposits (refundable) was RM9,900,000 (2022: Nil) paid in relation to the acquisition of a piece of land in Kapar as part of the joint venture investment as detailed in Note 32(d) to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

18. AMOUNT DUE FROM/TO SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Amount due from subsidiaries	9,957	2,330
Dividend receivable from subsidiaries	4,400	–
Loan to a subsidiary	3,000	–
Less: Provision for expected credit losses		
At 1 January	(2,251)	(35)
Charge for the year	(37)	(2,216)
Reversal	2,307	–
Write off	21	–
Translation difference	(89)	–
At 31 December	(49)	(2,251)
Amount due from subsidiaries	17,308	79
Amount due to subsidiaries	34,289	37,476

Balances with subsidiaries are unsecured, interest-free and receivable/repayable on demand, except for loan to a subsidiary of RM3,000,000 (2022: Nil) which borne a fixed interest rate of 4.00% (2022: Nil) per annum. Funds are centralised at Group level and made available to subsidiaries as and when required.

The Company recognised net reversal of impairment loss on amount due from subsidiaries of RM2,202,000 (2022: net impairment loss of RM2,216,000) for the financial year ended 31 December 2023.

The impairment loss were reversed during the financial year as a result of receipts and the impairment loss were recognised in prior year as the carrying amount of the subsidiaries were higher than their recoverable amounts.

19. SHORT-TERM DEPOSITS AND INVESTMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks	108,125	321,909	89,166	197,277
Short-term highly liquid investments	57,424	–	52,394	–
	165,549	321,909	141,560	197,277

At the reporting date, the deposits with licensed banks of the Group and the Company have the same maturities of less than 92 days (2022: less than 60 days) with weighted average interest rate of 4.13% (2022: 3.48%) and 4.19% (2022: 3.01%) per annum respectively.



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

20. ASSETS HELD FOR SALE

	Group and Company	
	2023	2022
	RM'000	RM'000
At 1 January	7,342	6,945
Translation difference	293	397
Transfer to property, plant and equipment	(1,920)	–
Transfer to investment properties	(5,715)	–
	–	7,342

Assets held for sale comprise of leasehold properties which the Group and the Company expect to sell within the next 12 months from the reporting date. The leasehold properties have transferred back to property, plant and equipment and investment properties based on management intended usage as the management unable to locate potential buyer for the leasehold properties since the date of the classification.

21. SHARE CAPITAL

	Number of ordinary shares			
	2023	2022	2023	2022
	('000)	('000)	RM'000	RM'000
Group and Company				
Issued and fully paid with no par value:				
At 1 January	1,000,000	1,000,000	338,791	338,791
Capital reduction pursuant to Section 116 of the Companies Act 2016	–	–	(275,000)	–
At 31 December	1,000,000	1,000,000	63,791	338,791

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

22. RESERVES**(a) Cash flow hedge reserve**

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

(b) Foreign currency translation reserve

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

When the Group or the Company fully disposed of or redemption of its investment in subsidiaries from the operations that denominated in functional currencies other than RM, the cumulative amount in the foreign currency translation reserve related to that investment is reclassified to profit or loss as part of the profit or loss on disposal. When the Group or the Company distribute the dividend from the operations that denominated in functional currencies other than RM, the cumulative amount in the foreign currency translation reserve related to the realisation portion is reclassified to retained earnings as and when the dividend is declared.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

23. BORROWINGS

	2023 RM'000	Group 2022 RM'000
Term loan - secured	802	-
Repayable within 12 months	(187)	-
Repayable after 12 months - between 1 - 5 years	615	-

The term loan bears effective interest rate of 4.00% (2022: Nil) per annum.

The above term loan is secured by joint and several guarantee by a Director of a subsidiary and a third party.

24. DEFERRED TAX LIABILITIES

	2023 RM'000	Group 2022 RM'000
At 1 January	-	-
Acquisition of a new subsidiary	39	-
At 31 December	39	-

The deferred tax liabilities recognised in the Financial Statements represent taxable temporary differences between carrying amount and tax written down value of property, plant and equipment.

25. PAYABLES AND OTHER LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables				
- third parties	413	1,690	274	11
- related parties (unsecured)	1,006	-	-	-
Accruals	4,548	3,922	2,131	2,845
Due to ship managers and agents	1,314	6,554	-	3,481
Non-trade payables	3,037	5,994	1,962	1,287
	10,318	18,160	4,367	7,624

Trade payables generally have average credit terms of 30 to 90 (2022: 30 to 90) days.

The amount due to related parties in which certain Directors or Directors of a subsidiary deemed to have substantial financial interest was subject to normal trade term.



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26. DIVIDENDS

	Group and Company	
	2023	2022
	RM'000	RM'000
In respect of financial year ended:		
31 December 2022		
Special dividend of 6.5 sen, single tier	-	65,000
Special dividend of 3.5 sen, single tier	-	35,000
31 December 2023		
Interim dividend of 1.5 sen, single tier	15,000	-
	15,000	100,000

27. COMMITMENTS

	Group	
	2023	2022
	RM'000	RM'000
Authorised and contracted for:		
- Vacant freehold industrial land	89,100	-
Authorised but not contracted for:		
- Estimated gross development cost of freehold industrial land	163,163	-

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Transactions with companies in which certain former shareholders* of the Company have substantial interest				
Commercial fee	-	(314)	-	-
Income from shared services	-	(130)	-	(130)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Transactions with companies in which certain former shareholders* of the Company have substantial interest (Continued)				
Commercial fee	-	2,180	-	470
Shared services cost	-	1,078	-	231
Management fee	-	364	-	-
Crewing agents fee	-	61	-	41
Procurement fee	-	77	-	77
Share registration fee	-	7	-	7
Transactions with companies in which certain Directors or Directors of a subsidiary are deemed to have substantial interests				
Sales of steel product	(1,721)	-	-	-
Purchase of steel product	39,741	-	-	-
Rental of office and warehouse	223	-	-	-
Transactions with subsidiaries				
Income from shared services			-	(298)
Interest income			(82)	-
Dividend income			(6,400)	(2,300)
Redemption of redeemable preference shares			(133,097)	(144,014)
Management fee			790	208

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

Directors are considered as the key management personnel. The remuneration of Directors is disclosed in Note 10 to the Financial Statements.

29. SEGMENT INFORMATION

(a) Business segments

The operating businesses are organised according to the nature of the services provided with each segment representing a strategic business unit that serves different markets.

The Group's revenue is primarily derived from the provision of dry bulk shipping services internationally and supply, design, consult and shelving and storage solution.

(b) Geographical segments

As the Group's shipping activities cover the world's shipping lanes, while shelving and storage solution mainly focus on local market. The Directors do not consider it meaningful to allocate revenue, results, assets and liabilities to specific geographical segments.



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

(c) Allocation basis and inter-segment charges

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment charges between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include charges between business segments. These charges are eliminated on consolidation.

Major customers

The following are the major customers with revenue equal or more than 10% of the Group's revenue:-

	Revenue		Segment
	2023 RM'000	2022 RM'000	
Customer A	28,577	50,921	Shipping bulkers
Customer B	41,661	39,948	Shipping bulkers
Customer C	-	23,444	Shipping bulkers
Customer D	-	15,640	Shipping bulkers
Customer E	17,106	-	Shelving & storage solution

	Shipping Bulkers RM'000	Shelving & storage solution RM'000	Investment holding & others RM'000	Elimination RM'000	Total RM'000
2023					
Revenue					
Group total	71,350	56,860	790	(790)	128,210
Inter-segment	-	-	(790)	790	-
External	71,350	56,860	-	-	128,210
Results					
Segment results	35,070	8,890	(14,867)	-	29,093
Amortisation of intangible assets	-	-	(45)	-	(45)
Depreciation of property, plant and equipment	(9,948)	(115)	(75)	-	(10,138)
Depreciation of investment properties	-	-	(171)	-	(171)
Depreciation of right-of-use assets	(8,518)	(277)	(6)	-	(8,801)
Bad debts written off	-	(23)	-	-	(23)
Gain on disposal of property, plant and equipment	25,342	-	-	-	25,342
Interest income	1,973	134	6,061	(82)	8,086
Finance costs	(446)	(166)	-	82	(530)
Gain on liquidation of subsidiaries	-	-	9,941	-	9,941
Taxation	(258)	(2,122)	(728)	-	(3,108)
Profit for the year	43,215	6,321	110	-	49,646

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

	Shipping Bulkers RM'000	Shelving & storage solution RM'000	Investment holding & others RM'000	Elimination RM'000	Total RM'000
2023					
Segment assets	251,526	23,216	841,087	(578,900)	536,929
Segment liabilities	548,762	7,087	37,672	(578,900)	14,621
Other information					
Property, plant and equipment	-	35	12	-	47
Other intangible assets	-	-	62	-	62
	-	35	74	-	109
2022					
Revenue					
Group total		154,465	925	(611)	154,779
Inter-segment		-	(611)	611	-
External		154,465	314	-	154,779
Results					
Segment results		104,906	(8,195)	-	96,711
Amortisation of intangible assets		-	(209)	-	(209)
Depreciation of property, plant and equipment		(12,074)	(74)	-	(12,148)
Depreciation of right-of-use assets		(44,295)	(75)	-	(44,370)
Provision for expected credit losses on trade receivables		(228)	-	-	(228)
Gain on disposal of property, plant and equipment		50,058	-	-	50,058
Interest income		642	4,588	-	5,230
Finance costs		(3,740)	(6)	-	(3,746)
Gain on liquidation of a subsidiary		-	1,996	-	1,996
Taxation		(48)	(65)	-	(113)
Profit for the year		95,221	(2,040)	-	93,181
Segment assets		324,827	1,045,867	(731,428)	639,266
Segment liabilities		630,062	253,580	(731,428)	152,214
Other information					
Property, plant and equipment		1,754	43	-	1,797
Other intangible assets		-	111	-	111
		1,754	154	-	1,908



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

30. FINANCIAL RISK MANAGEMENT

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

(a) Currency risk

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

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

	Denominated in Ringgit Malaysia			
	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Financial assets/(liabilities)</u>				
Trade and other receivables	253	529	245	528
Amount due from subsidiaries	–	–	3,000	–
Cash and cash equivalents	113,865	131,320	108,590	130,121
Trade and other payables	(1,947)	(101,599)	(1,804)	(101,365)
	112,171	30,250	110,031	29,284

Sensitivity analysis for foreign currency risk

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

	Increase/(decrease) in profit/equity			
	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
RM - strengthened by 5%	5,609	1,513	5,502	1,464
- weakened by 5%	(5,609)	(1,513)	(5,502)	(1,464)

(b) Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

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

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

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

	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000	Maturity 1 to 5 years RM'000
Group				
At 31 December 2023				
Payables and other liabilities	10,318	10,318	10,318	–
Borrowings	802	920	240	680
Lease liabilities	631	649	330	319
	11,751	11,887	10,888	999
At 31 December 2022				
Payables and other liabilities	18,160	18,160	18,160	–
Dividend payable	100,000	100,000	100,000	–
Lease liabilities	33,111	35,340	35,340	–
	151,271	153,500	153,500	–

The maturity profile of financial liabilities of the Company based on the contractual undiscounted repayment obligation is less than a year.

(d) Credit risk

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

31. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The Group manages its capital structure by taking into account its current and projected cash flow, expansion and capital expenditure commitments. Where necessary, adjustments to the amount of dividends paid to shareholders or the issuance of new shares may be considered. The Group does not adopt any formal dividend policy. The debt to equity ratio of the Group for the year ended 31 December 2023 was 0.003:1 (2022: 0.07:1).

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

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 2022.

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

32. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING DATE

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

The acquisition was completed on 30 January 2023.

- (b) Capital Reduction

On 16 May 2023, the Company proposed to undertake a reduction of the issued share capital of the Company pursuant to Section 116 of the Companies Act 2016 ("Capital Reduction"). The Capital Reduction exercise was carried out after the Company had received approval from shareholders, sanction from the Court and confirmation by Suruhanjaya Syarikat Malaysia. Consequently, the share capital of the Company was reduced from RM338,791,327.42 to RM63,791,327.42 comprising 1,000,000,000 shares.

The Capital Reduction entails the cancellation of the issued share capital amounted to RM275.0 million which is lost or unrepresented by available assets.

The credit arising from the Capital Reduction was set off against the accumulated losses of the Company while the balance, was credited to the retained earnings of the Company.

- (c) On 20 June 2023, the Company proposed to obtain shareholders' mandate for the disposal of Alam Kekal, a bulk carrier, owned 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.

Upon securing shareholders' approval, the Company entered into a memorandum of agreement with a third party for the disposal of Alam Kekal for a cash consideration of JPY4.430 billion (equivalent to approximately RM140.062 million on date of disposal). The disposal was completed on 16 October 2023.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

32. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING DATE (CONTINUED)

(d) Acquisition of Land, Joint Venture and Diversification

On 29 August 2023,

- i. MBC Logistic Hub Sdn. Bhd. (formerly known as MBC Retail Sdn. Bhd.) ("MBCLH"), a wholly-owned subsidiary of the Company, entered into a Conditional Sale and Purchase Agreement ("SPA") with Kapar Land Sdn. Bhd., a Company in which Dato' Goh Cheng Huat ("Dato' Goh"), a director of the Company has substantial financial interest, to acquire a parcel of freehold land measuring approximately 23.48 hectares located in Mukim Kapar, Daerah Klang, Negeri Selangor for a total cash consideration of RM165 million ("Acquisition of Land").
- ii. the Company entered into a Conditional Share Subscription Agreement ("SSA") with Golden Valley Ventures Sdn. Bhd. ("GVV"), a Company in which Dato' Goh has substantial financial interest, for the subscription of new ordinary shares in MBCLH, where the Company and GVV shall respectively hold 60% and 40% equity interest in MBCLH ("Joint Venture").
- iii. the Group proposes to undertake the diversification of the existing business of the Group to include the business of industrial property development and investment ("Diversification").

On 6 December 2023, the Company obtained approval from the Shareholders for the Acquisition of Land, Joint Venture and Diversification.

On 8 January 2024, the conditions precedent of SPA and SSA have been fulfilled. Accordingly, the SPA for Acquisition and SSA for Joint Venture have become unconditional.

Accordingly, the Company subscribed for 59,999 new ordinary shares in MBCLH on 8 January 2024. Consequently, MBCLH became a 60%-owned subsidiary of the Company while GVV holds the remaining 40% equity interests in MBCLH.

(e) On 1 September 2023, the Company proposed to change its name from "Malaysian Bulk Carriers Berhad" to "Maybulk Berhad"

The Company obtained approval from the Shareholders on 6 December 2023.

Accordingly, the name of the Company was changed from "Malaysian Bulk Carriers Berhad" to "Maybulk Berhad" with effect from 13 December 2023.

(f) On 27 March 2024, the Company is proposing to undertake the following:

- i. to seek the approval of its shareholders for the mandate to purchase its own ordinary shares for an aggregate amount of up to 10% of the issued share capital at any point in time ("Proposed Share Buy-Back Authority"); and
- ii. a proposed exemption pursuant to subparagraph 4.15(1) of the Rules on Take-Overs, Mergers and Compulsory Acquisition issued by the Securities Commission Malaysia ("SC") to Dato' Goh and his person(s) acting in concert from the obligation to undertake a mandatory take-over offer for all the remaining Maybulk Shares not already owned by them arising from the purchase by Maybulk of its own Shares pursuant to the Proposed Share Buy-Back Authority ("Proposed Exemption").



NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

32. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING DATE (CONTINUED)

(f) (continued)

Collectively referred to as the "Proposals".

The Proposals are subject to the following approvals being obtained:

- i. the shareholders of Maybulk for the Proposals at the forthcoming EGM to be convened;
- ii. the SC for the Proposed Exemption; and
- iii. the approval of any other relevant authorities, if required.

33. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings RM'000	Lease liabilities RM'000	Derivative financial liabilities RM'000	Total RM'000
Group				
At 1 January 2023	–	33,111	–	33,111
Cash flows:				
- Repayment/payment	(157)	(32,851)	–	(33,008)
- Finance costs paid	(62)	(468)	–	(530)
Non-cash changes:				
- Acquisition through business combinations	959	482	–	1,441
- Addition	–	426	–	426
- Finance costs	62	468	–	530
- Lease modification	–	(673)	–	(673)
- Translation difference	–	136	–	136
At 31 December 2023	802	631	–	1,433
At 1 January 2022	65,908	74,194	836	140,938
Cash flows:				
- Repayment/payment	(66,470)	(42,161)	(285)	(108,916)
- Finance costs paid	(819)	(2,371)	–	(3,190)
Non-cash changes:				
- Finance costs	1,375	2,371	–	3,746
- Changes in fair values	–	–	(555)	(555)
- Lease modification	–	(2,530)	–	(2,530)
- Others	(178)	–	–	(178)
- Translation difference	184	3,608	4	3,796
At 31 December 2022	–	33,111	–	33,111

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

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

Company	Borrowings RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2023	-	7	7
Cash flows:			
- Repayment/payment	-	(7)	(7)
At 31 December 2023	-	-	-
At 1 January 2022	-	331	331
Cash flows:			
- Repayment/payment	-	(82)	(82)
- Finance costs paid	(411)	(6)	(417)
Non-cash changes:			
- Lease modification	-	(242)	(242)
- Finance costs	411	6	417
At 31 December 2022	-	7	7

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of short-term receivables and payables, cash and cash equivalent and short term borrowings, except for borrowing and lease liabilities, approximate their fair values due to their relatively short-term nature of these financial instruments and insignificant impact of discounting.

35. COMPARATIVE FIGURES

The comparative figures were audited by another auditors other than Grant Thornton Malaysia PLT. Certain comparative figures were reclassified to conform with current year's presentation.



LIST OF PROPERTIES HELD

Address/Description	Existing Use/ Approximate Area	Tenure/ Date of Expiry of Lease	Age of Building	Net Book Value @ 31.12.2023 RM'000
Level 17 (East Wing) PJ Tower No.18, Jalan Persiaran Barat Off Jalan Timur 46050 Petaling Jaya Selangor Darul Ehsan	Office/ 5,447 sq. ft.	99 Year Lease/ 11.9.2088	26 Years	1,841
Level 17 (West Wing) PJ Tower No.18, Jalan Persiaran Barat Off Jalan Timur 46050 Petaling Jaya Selangor Darul Ehsan	Office/ 5,511 sq. ft.	99 Year Lease/ 11.9.2088	26 Years	1,862
Level 18 (East Wing) PJ Tower No.18, Jalan Persiaran Barat Off Jalan Timur 46050 Petaling Jaya Selangor Darul Ehsan	Office/ 5,447 sq. ft.	99 Year Lease/ 11.9.2088	26 Years	1,841
Level 18 (West Wing) PJ Tower No.18, Jalan Persiaran Barat Off Jalan Timur 46050 Petaling Jaya Selangor Darul Ehsan	Office/ 5,511 sq. ft.	99 Year Lease/ 11.9.2088	26 Years	1,862

Note:

All properties were acquired on 12 July 2001.

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of shares	%
Less than 100	765	4.75	21,858	0.00
100 to 1,000	1,782	11.07	1,250,044	0.12
1,001 to 10,000	8,154	50.63	39,577,898	3.96
10,001 to 100,000	4,616	28.66	155,280,888	15.53
100,001 to 49,999,999 (*)	785	4.88	343,869,312	34.39
50,000,000 and above (**)	2	0.01	460,000,000	46.00
Total	16,104	100.00	1,000,000,000	100.00

Remark:

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

As at 29 March 2024

Name of Substantial Shareholders	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' Goh Cheng Huat	320,000,000	32.00	150,000 ⁽¹⁾	0.02
PPB Group Berhad	140,000,000	14.00	20,000 ⁽²⁾	–

Notes:

⁽¹⁾ Deemed interested by virtue of his spouse's direct shareholdings in the Company pursuant to Section 8 of the Companies Act 2016

⁽²⁾ Deemed interested by virtue of its substantial shareholdings in the Cathay Screen Cinemas Sdn Bhd pursuant to Section 8 of the Companies Act 2016

DIRECTORS' SHAREHOLDINGS

As at 29 March 2024

Name of Substantial Shareholders	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' Goh Cheng Huat	320,000,000	32.00	150,000 ⁽¹⁾	0.02
Elsie Kok Yin Mei	–	–	–	–
Lin JunLiang, Troy	–	–	–	–
Mohd. Arif Bin Mastol	–	–	–	–
Ooi Teik Huat	–	–	–	–
Yeoh Khoon Cheng	–	–	–	–

Notes:

⁽¹⁾ Deemed interested by virtue of his spouse's direct shareholding in the Company pursuant to Section 8 of the Companies Act 2016.



ANALYSIS OF SHAREHOLDINGS

(CONTINUED)

TOP THIRTY (30) SHAREHOLDERS

(As per Record of Depositors as at 29 March 2024)

No.	Names	No. of Shares	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GOH CHENG HUAT (SMART)	320,000,000	32.00
2	PPB GROUP BERHAD	140,000,000	14.00
3	PACIFIC CARRIERS LIMITED	24,615,000	2.46
4	JANA K I @ MALLIKA A/P PALANIAPPAN	20,000,000	2.00
5	KASI A/L K L PALANIAPPAN	15,000,000	1.50
6	MUHAMAD ALOYSIUS HENG	5,195,100	0.52
7	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	5,075,000	0.51
8	DINSHAW A/L J MANECKSHA	5,000,000	0.50
9	PUBLIC INVEST NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MUHAMAD ALOYSIUS HENG (M)	4,554,600	0.46
10	GOH CHEAH HONG	4,441,000	0.44
11	OUI KEE SENG	4,340,500	0.43
12	CHIN CHIN SEONG	4,220,800	0.42
13	LOW CHU MOOI	3,293,700	0.33
14	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER FOON LOO	2,770,000	0.28
15	GOH LI LI	2,590,500	0.26
16	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR LOH KOOI CHUAN (8728-1501)	2,301,200	0.23
17	GAN KOK KENG	2,300,000	0.23
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH TING HONG	2,183,700	0.22
19	KERAJAAN NEGERI PAHANG	2,153,850	0.22
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH OOI CHAT (E-BBB/BBA)	2,100,000	0.21
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHUNG TOUNG (E-KKU)	2,032,100	0.20
22	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERUMAL A/L MANIMARAN	2,000,000	0.20
23	KAH HIN LOONG SDN BHD	1,810,250	0.18
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEK LIAN LYE	1,674,900	0.17
25	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOOI HO	1,555,800	0.16
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SOON SEONG KEAT (PB)	1,542,300	0.15
27	ONG BENG KEE	1,500,000	0.15
28	YEO KOON LIAN	1,495,000	0.15
29	WONG SOO CHAI @ WONG CHICK WAI	1,484,200	0.15
30	LE WEE CHEN	1,454,450	0.14
Total		588,683,950	58.87

ADDITIONAL COMPLIANCE INFORMATION

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

1. UTILISATION OF PROCEEDS

The disposal of Alam Kekal was completed on 16 October 2023 and the status of utilisation of proceeds raised from the exercise as at 31 December 2023 is as follows:

Purpose	Proposed Utilisation RM Mil	Actual Utilisation RM Mil	Balance RM Mil	Intended Timeframe for Utilisation	Deviation RM Mil	%
(i) Future business expansion	122.5	(9.9)	112.6	Within 24 months	–	0%
(ii) Working capital	12.3	(12.3)	–	Within 12 months	–	0%
(iii) Estimated expenses for the disposal of Alam Kekal	2.8	(2.8)	–	Immediate	–	0%
Total	137.6	(25.0)	112.6		–	

2. AUDIT AND NON-AUDIT FEES

The details of the audit and non-audit fees paid/payable to the external auditors for the financial year ended 31 December 2023 are set out below :

	Company RM	Group RM
Fees paid/payable to Grant Thornton		
• Audit	125,000	370,000
• Other services	10,000	10,000
	135,000	380,000

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving directors' and major shareholders' interests subsisting as at 31 December 2023 or entered into during the financial year ended 31 December 2023 except as disclosed in the Financial Statements as set out in this Annual Report.

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

The details of the RRPT entered into by the Company and its subsidiaries during the financial year under review are disclosed in Note 28 to the Financial Statements on pages 115 and 116.



DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

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

In preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2023, the Directors ensured that:

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

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

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

This statement was approved by the Board of Directors on 29 April 2024.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting (“35th AGM”) of Maybulk Berhad (formerly known as Malaysian Bulk Carriers Berhad) (“Maybulk” or “the Company”) will be conducted on a virtual basis through live streaming from the broadcast venue at BO1-A-09-1, Menara 2, KL Eco City, 3 Jalan Bangsar, 59200 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Wednesday, 26 June 2024 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|-----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 (“FY2023”) together with the Reports of the Directors and the Auditors thereon. | Please refer to
Explanatory Note 1 |
| 2. | To approve payment of Directors’ fees of RM283,316 for the FY2023. | Ordinary Resolution 1 |
| 3. | To approve payment of meeting allowances to the Directors up to an amount of RM100,000 for the period from 1 July 2024 to 30 June 2025. | Ordinary Resolution 2 |
| 4. | To re-elect the following Directors who are retiring by rotation pursuant to Article 121 of the Constitution of the Company: | |
| 4.1 | Dato’ Goh Cheng Huat | Ordinary Resolution 3 |
| 4.2 | Madam Elsie Kok Yin Mei | Ordinary Resolution 4 |
| 5. | To re-elect Encik Mohd. Arif bin Mastol who is retiring pursuant to Article 128 of the Constitution of the Company. | Ordinary Resolution 5 |
| 6. | To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

AS SPECIAL BUSINESS

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

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

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

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

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

**NOTICE OF ANNUAL GENERAL MEETING**

(CONTINUED)

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

"THAT subject to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries ("Group") be and are hereby authorised to enter into the recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in the Circular to Shareholders dated 30 April 2024, PROVIDED THAT such transactions are necessary for the Group's day-to-day operations and are in the ordinary course of business of the Group and at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

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

- (i) the conclusion of the next AGM of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority conferred by this resolution is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier;

THAT the breakdown of the aggregate value of the recurrent related party transactions based on the type of recurrent transaction made and the names of the related parties involved in each type of the recurrent related party transaction made and their relationship with the Group, shall be disclosed in the Annual Report of the Company as may be required by the governing authority.

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 Renewal of Shareholders' Mandate as authorised by this Ordinary Resolution."

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

BY ORDER OF THE BOARD

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

30 April 2024
Selangor Darul Ehsan

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

NOTES

1. The 35th AGM will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting ("RPEV") facilities to be provided by the 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 35th AGM in order to register, participate and vote remotely via the RPEV facilities.

Please refer to the **Administrative Guide for Shareholders for the 35th AGM** on the procedures to register, participate and vote remotely via the RPEV facilities.

2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue of the AGM. Members/proxies/corporate representatives are not allowed to physically present nor admitted at the Broadcast Venue on the day of the 35th AGM.
3. Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), voting at the 35th AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
4. A member of the Company entitled to attend and vote at the 35th AGM is entitled to appoint not more than two (2) proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
5. Where a member is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised and in the case of corporation, shall be either under seal or under the hand of an officer or attorney duly authorised.
8. The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the virtual AGM or any adjournment thereof, failing which, the instrument of proxy shall not be treated as valid.

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

9. The appointment of the proxy(ies) will be **INVALID** if the Proxy Form / e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.
10. In respect of deposited securities, only members whose names appear on the Record of Depositors on Thursday, 20 June 2024 (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.



NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

MODE OF COMMUNICATION

Prior to the 35th AGM, shareholders may via Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com>, and proxies/corporate representatives may via bsr.helpdesk@boardroomlimited.com, submit questions relating to resolutions to the Board of Directors, not later than Monday, 24 June 2024 at 10.00 a.m. Alternatively, members/proxies/corporate representatives may via real time submission of typed texts via RPEV facilities during the live streaming of the 35th AGM as the primary mode of communication.

EXPLANATORY NOTES

1. Audited Financial Statements

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

2. Payment of Directors' fees

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

Details of the Directors' fees for the FY2023 are set out in the Corporate Governance Statement of the Annual Report and Corporate Governance Report 2023.

3. Payment of Meeting Allowances

The Company has considered various factors in determining the estimated total amount of meeting allowances, which includes the number of scheduled and special meetings for the Board, Board Committees and based on the current number of Directors as well as provisional sum as a contingency for future appointment on the Board and increase in the number of Board and Board Committees meetings.

4. Re-election of Directors

The profiles of the Directors who are standing for re-election under items 4 and 5 of this Agenda are set out in the Board of Directors' profile of the Annual Report 2023.

The Board has through the Nomination and Remuneration Committee ("NRC"), considered the evaluation of the Directors and concurred that they have met the criteria as prescribed by paragraph 2.20A of the MMLR of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. In addition, the NRC has also conducted an assessment on the fitness and propriety of the retiring directors including the review of their fit and proper declarations and results of their background checks in accordance with the Fit & Proper Policy. The said retiring directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election.

Based on the recommendation of the NRC, the Board is satisfied with the performance and contribution of the following Directors and supports the re-election based on the following justifications:

(a) Re-election of Dato' Goh Cheng Huat as Executive Director

Dato' Goh Cheng Huat demonstrates exemplary leadership and contributes tremendously in the business and value creation of the Group. He is familiar with the Group operations and has steered the Group forward. He has exercised due care and carried out his duties professionally and proficiently during his tenure as the Group Managing Director.

Shareholders' approval is sought for the re-election of Dato' Goh Cheng Huat under Ordinary Resolution 3. The profile of Dato' Goh Cheng Huat is listed in the Profile of Directors section.

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

(b) Re-election of Madam Elsie Kok Yin Mei as Independent Non-Executive Director

Madam Elsie Kok Yin Mei fulfills the requirement of independence set out in the MMLR of Bursa Securities as well as the prescribed criteria under the Malaysian Code on Corporate Governance 2021. As Chairperson of the NRC and member of Audit and Risk Management Committee ("ARMC"), she has demonstrated sound leadership and independence through her engagement in the meetings by providing constructive feedback and valuable insights to the Management in developing the Group's business strategies. She exercised due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Director of the Company.

Shareholders' approval is sought for the re-election of Madam Elsie Kok Yin Mei under Ordinary Resolution 4. The profile of Madam Elsie Kok Yin Mei is listed in the Profile of Directors section.

(c) Re-election of Encik Mohd. Arif bin Mastol as Independent Non-Executive Director

In accordance with Article 128 of the Company's Constitution, a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall then be eligible for re-election. Encik Mohd. Arif bin Mastol, who was appointed as a Director of the Company on 15 June 2023, retires pursuant to Article 128 of the Company's Constitution and being eligible, has offered himself for re-election at the 35th AGM. Encik Mohd Arif bin Mastol, an Independent Director is the Chairman of the ARMC and a member of NRC. He is able to provide effective oversight and constructive feedback during the meetings of ARMC, NRC and the Board.

Shareholders' approval is sought for the re-election of Encik Mohd. Arif bin Mastol under Ordinary Resolution 5. The profile of Encik Mohd. Arif bin Mastol is listed in the Profile of Directors section.

5. Proposed Authority to allot and issue shares pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 7, if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing which will result in higher finance cost to be incurred for the purpose of funding investment project(s), working capital and/or acquisitions. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Article 26 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

As at the date of this Notice, there was no new shares issued pursuant to the mandate granted to the Directors of the Company at the previous AGM held on 15 June 2023 and which will lapse at the conclusion of the 35th AGM. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

6. Proposed Shareholders' Mandate

The proposed Ordinary Resolution 8, if passed, will empower the Group to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out the Circular to Shareholders dated 30 April 2024, which are necessary for the Group's day-to-day operations and/or in the ordinary course of business of the Group on normal commercial terms and to facilitate the conduct of the Group's business in a timely manner. Details of the Proposed Shareholders' Mandate are set out in the Circular to Shareholders dated 30 April 2024.

**NOTICE OF ANNUAL GENERAL MEETING****(CONTINUED)****PERSONAL DATA PRIVACY**

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the 35th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 35th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 35th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty

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MAYBULK BERHAD
(FORMERLY KNOWN AS MALAYSIAN BULK CARRIERS BERHAD)
Registration No.: 198801008597 (175953-W)

PROXY FORM

Number of shares held	CDS Account No.

I/We, _____ NRIC/Registration No. _____
of _____
telephone no. _____ email address _____ being a member/members of MAYBULK BERHAD (FORMERLY KNOWN AS MALAYSIAN BULK CARRIERS BERHAD) hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Thirty-Fifth Annual General Meeting ("35th AGM") of the Company to be conducted on a virtual basis through live streaming from the broadcast venue at BO1-A-09-1, Menara 2, KL Eco City, 3 Jalan Bangsar, 59200 Kuala Lumpur, Malaysia on Wednesday, 26 June 2024 at 10.00 a.m. and at any adjournment thereof:

Option#	Name of proxy(ies)	NRIC/ Registration No.	Email Address	Proportion of shareholding to be represented
<input type="checkbox"/>	The Chairman of the Meeting			%
<input type="checkbox"/>	Appoint ONE proxy only (Please complete details of proxy below)			%
				%
<input type="checkbox"/>	Appoint MORE THAN ONE proxy (Please complete details of proxies below)			%
Proxy 1				%
Proxy 2				%
				100%

Please tick ONE box only.

IMPORTANT NOTE

Please (i) tick [✓] **ONLY ONE** of the above boxes, (ii) complete the details of your proxy/proxies and the proportion of your holding to be represented (if applicable), and (iii) sign or execute this form. The appointment will be **INVALID** if this form is not completed correctly in accordance with the said instructions.

My/Our proxy/proxies shall vote as indicated below:

No.	Resolutions	For	Against
1	To approve payment of Directors' fees of RM283,316 for the financial year ended 31 December 2023		
2	To approve payment of meeting allowances to the Directors up to an amount of RM100,000 for the period from 1 July 2024 to 30 June 2025		
3	To re-elect Dato' Goh Cheng Huat		
4	To re-elect Madam Elsie Kok Yin Mei		
5	To re-elect Encik Mohd. Arif bin Mastol		
6	To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
7	To approve the proposed authority to allot and issue shares by Directors pursuant to Sections 75 and 76 of the Companies Act 2016		
8	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature		

(Please indicate with an "X" in the space provided how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting on the resolutions at his/their discretion)

Dated this _____ day of _____ 2024

Signature of Shareholder: _____

Notes:

- The 35th AGM will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Electronic Voting ("RPEV") facilities to be provided by Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my>. Please follow the procedures provided in the Administrative Guide for the 35th AGM in order to register, participate and vote remotely via the RPEV facilities.
Please refer to the **Administrative Guide for Shareholders for the 35th AGM** on the procedures to register, participate and vote remotely via the RPEV facilities.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the AGM. Members/proxies/corporate representatives are not allowed to physically present nor admitted at the Broadcast Venue on the day of the 35th AGM.
- Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 35th AGM will be conducted by poll rather than a show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
- A member of the Company entitled to attend and vote at the 35th AGM is entitled to appoint not more than two (2) proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
- 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.
- 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.
- 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.
- The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the Share Registrar's office of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the virtual AGM or any adjournment thereof, failing which, the instrument of proxy shall not be treated as valid.
Alternatively, the Form of Proxy can be electronically submitted via Boardroom Share Registrars' website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for Shareholders for further information on electronic submission
- 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.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on Thursday, 20 June 2024 (General Meeting Record of Depositors) shall be eligible to attend the virtual meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 35th AGM dated 30 April 2024.



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The Company Secretaries

MAYBULK BERHAD
(FORMERLY KNOWN AS MALAYSIAN BULK CARRIERS BERHAD)
Registration No.: 198801008597 (175953-W)

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

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Maybulk Berhad

(Formerly known as Malaysian Bulk Carriers Berhad)
Registration No. 198801008597 (175953-W)

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

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

www.maybulk.com.my