



MARINE & GENERAL BERHAD

Registration No. 199601033545
(405897-V)



2024 ANNUAL REPORT



www.marine-general.com.my

OPERATING SUBSIDIARIES



Marine Logistics Upstream Division – spearheaded by Jasa Merin (Malaysia) Sdn Bhd (“**JMM**”), the Division commenced operation in 1982. JMM charters out offshore support vessels (“OSV”) for use by the oil majors in their exploration and production (“E&P”) activities. The OSVs provide support services to the E&P activities by undertaking anchor handling function (positioning and retrieval of drilling rig anchors), towing activities (repositioning of rigs to other drilling locations), firefighting and recovery support, as well as transporting equipment and cargoes to and from offshore installations.

JMM has been providing OSV services to oil majors such as PETRONAS Carigali Sdn Bhd, ExxonMobil Exploration and Production Malaysia Inc. and Sarawak Shell Berhad for over 30 years. Presently, JMM operates a fleet of 22 vessels comprising 20 Anchor Handling Tug Supply Vessels (“AHTS”) and 2 Straight Supply Vessels (“SSV”).

Marine Logistics Downstream Division – headed by Jasa Merin (Labuan) Plc and M&G Tankers Sdn Bhd, the Division commenced operation in 2016. The Division charters out liquid bulk carriers to the petro-chemical and oleo-chemical industries, whereby the vessels are used to transport liquid bulk products in the region. During the financial year, the Division operates 4 7,000 DWT chemical vessels and 4 clean petroleum product tankers with capacity ranging from 8,000 DWT to 11,000 DWT serving major oil and gas companies as well as large trading houses in the East Asian and South East Asian regions. The vessels provide flexibility in terms of cargoes they can carry ranging from chemicals and clean petroleum products to palm oil.

TABLE OF CONTENTS

| | |
|---|-----|
| Corporate Information | 2 |
| Profiles of Board of Directors | 4 |
| Profiles of Key Senior Management | 9 |
| Five-Year Group Financial Summary | 12 |
| Management Discussion and Analysis | 14 |
| Corporate Governance Overview Statement | 25 |
| Audit Committee Report | 45 |
| Statement on Risk Management and Internal Control | 51 |
| Sustainability Statement | 56 |
| Directors' Responsibility Statement | 80 |
| Additional Compliance Information | 81 |
| FINANCIAL STATEMENTS | |
| Directors' Report | 83 |
| Statement by Directors | 89 |
| Statutory Declaration | 89 |
| Independent Auditors' Report | 90 |
| Statements of Financial Position | 95 |
| Statements of Profit or Loss and Other Comprehensive Income | 97 |
| Statements of Changes in Equity | 99 |
| Statements of Cash Flows | 102 |
| Notes to the Financial Statements | 103 |
| Substantial Shareholders | 153 |
| Directors' Interests in Shares | 154 |
| Analysis of Shareholdings | 155 |
| Notice of the 27th Annual General Meeting | 157 |
| Proxy Form | |



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

Non-Independent

Tan Sri Mohammed Azlan bin Hashim

Executive Director

Non-Independent

Haji Abdul Rahman bin Ali

Non-Executive Directors

Independent

Shariffuddin bin Khalid

Datin Shelina binti Razaly Wahi

Kamarul Ariffin bin Mohd Jamil

Rozhan Anwar bin Abdul Halim

Megat Joha bin Megat Abdul Rahman

Non-Executive Directors

Non-Independent

Tai Keat Chai

Nik Abdul Malik bin Nik Mohd Amin

AUDIT COMMITTEE

Datin Shelina binti Razaly Wahi (Chairperson)

Kamarul Ariffin bin Mohd Jamil

Rozhan Anwar bin Abdul Halim

Megat Joha bin Megat Abdul Rahman

RISK MANAGEMENT COMMITTEE

Tai Keat Chai (Chairman)

Nik Abdul Malik bin Nik Mohd Amin

Rozhan Anwar bin Abdul Halim

Mohd Nizam bin Abd Wahab

NOMINATION AND

REMUNERATION COMMITTEE

Shariffuddin bin Khalid (Chairman)

Kamarul Ariffin bin Mohd Jamil

Tai Keat Chai

Megat Joha bin Megat Abdul Rahman

COMPANY SECRETARIES

Lim Hui Ming (BC/L/740)

Chia Poh Tin (MAICSA 7055061)

REGISTERED OFFICE

Level 22, Axiata Tower

No. 9, Jalan Stesen Sentral 5

Kuala Lumpur Sentral

50470 Kuala Lumpur

Malaysia

Tel No. : (03) 2273 1919

Fax No. : (03) 2273 8310

Email : cosec@christopherleeong.com

PRINCIPAL PLACE OF BUSINESS

Corporate Office

Level 23, Plaza VADS

No. 1, Jalan Tun Mohd Fuad

Taman Tun Dr Ismail

60000 Kuala Lumpur, Malaysia

Tel No. : (03) 7735 6300

Fax No. : (03) 7735 6301

Email : info@marine-general.com.my

Marine Logistics – Upstream Division

Jasa Merin (Malaysia) Sdn Bhd

No. 7776, Jalan Kubang Kurus

24000 Kemaman

Terengganu Darul Iman, Malaysia

Tel No. : (09) 851 1100

Fax No. : (09) 858 3237

Email : admin@jasamerin.com.my

Marine Logistics – Downstream Division

Jasa Merin (Labuan) Plc

Level 22, Plaza VADS

No. 1, Jalan Tun Mohd Fuad

Taman Tun Dr Ismail

60000 Kuala Lumpur, Malaysia

Tel No. : (03) 7735 6311

Fax No. : (03) 7735 6312

Email : jmladmin@jasamerin.com.my



SHARE REGISTRAR

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
Tel No. : (03) 7890 4700
Fax No. : (03) 7890 4670
Email : bsr.helpdesk@boardroomlimited.com

AUDITORS

BDO PLT
Chartered Accountants

SOLICITORS

Christopher & Lee Ong

PRINCIPAL BANKERS

Affin Bank Berhad
Affin Islamic Bank Berhad
Bank Pembangunan Malaysia Berhad
Malayan Banking Berhad
Maybank Islamic Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE

www.marine-general.com.my



PROFILES OF BOARD OF DIRECTORS

TAN SRI MOHAMMED AZLAN BIN HASHIM

Malaysian, aged 67, male

Executive Chairman (Non-Independent)

Tan Sri Mohammed Azlan bin Hashim was appointed to the Board of M&G as Non-Executive Director on 4 June 2008 and was subsequently appointed as Executive Chairman on 24 June 2008.

A Chartered Accountant by profession, he graduated with a Bachelor of Economics from Monash University, Australia. He is a Fellow Member of the Institute of Chartered Accountants, Australia, Member of Malaysian Institute of Accountants, Fellow Member (Hon) of the Institute of Chartered Secretaries and Administrators. He has extensive experience in the corporate sector including financial services and investments. Among others, he has served as Chief Executive of Bumiputra Merchant Bankers Berhad, Group Managing Director of Amanah Capital Malaysia Berhad and Executive Chairman of Bursa Malaysia Berhad Group.

Current directorships in public companies and other organisations include D&O Green Technologies Berhad.

He has attended all 6 Board Meetings held during the financial year.

HAJI ABDUL RAHMAN BIN ALI

Malaysian, aged 63, male

Non-Independent Executive Director

Haji Abdul Rahman bin Ali was appointed to the Board of M&G as Non-Independent Executive Director on 1 November 2020.

Haji Abdul Rahman completed his Malaysia Certificate of Education in Sekolah Menengah Kebangsaan Sultan Sulaiman.

Haji Abdul Rahman was appointed to the Board of Jasa Merin (Malaysia) Sdn Bhd on 12 April 2006 and is currently its Executive Vice Chairman. He provides strategic business direction for Jasa Merin (Malaysia) Sdn Bhd and Jasa Merin (Labuan) Plc, which are primarily involved in the provision of Offshore Support Vessel services and Oil & Chemical tankers, serving the Upstream and Downstream sectors of the oil and gas industry.

Haji Abdul Rahman has over 40-years business experience in the construction industry having ventured into the construction business in the early 1980s. He is a major shareholder in a construction and property development company, Daya Prestasi Sdn Bhd. Between 1991 to 1997, he also served on the Board of several companies involved in shipping and marine related businesses.

He also has more than 30-years business experience in the ship maintenance and ship repair sector via his company Focus Marine Sdn Bhd, which mainly serves the Offshore Support Vessels industry. In 2006, he led the management buyout (MBO) of 70% equity interest in Jasa Merin (Malaysia) Sdn Bhd via AQL Aman Sdn Bhd, which was later injected into Marine & General Berhad in 2009.

He has no directorship in other public companies and listed issuers.

He has attended all 6 Board Meetings held during the financial year.

TAI KEAT CHAI

Malaysian, aged 70, male

Non-Independent Non-Executive Director

Chairman, Risk Management Committee

Member, Nomination & Remuneration Committee

Member, Audit Committee (*resigned on 30 June 2023*)

Tai Keat Chai was appointed to the Board of M&G as Independent Non-Executive Director on 18 August 2008 and was subsequently re-designated as a Non-Independent Non-Executive Director on 30 October 2019.

He qualified as a Fellow of the Institute of Chartered Accountants in England & Wales and is a member of the Malaysian Institute of Accountants.

He began his career with Peat, Marwick, Mitchell & Co. (now known as KPMG) in London in 1977 and a year later joined PriceWaterhouse (now known as PwC) in Kuala Lumpur. In 1981, he joined Amanah Merchant Bank Berhad (now known as Alliance Investment Bank Berhad) where he worked for seven years. In 1990, he ventured into the stockbroking industry and has worked in SJ Securities Sdn Bhd, JB Securities Sdn Bhd (now known as A.A. Anthony Securities Sdn Bhd) and BBMB Securities Sdn Bhd (now known as Kenanga Investment Bank Berhad) as General Manager, Director and dealer's representative respectively. Currently he is a Director of Fiscal Corporate Services Sdn Bhd.

Current directorships in other public companies and listed issuers include HSS Engineers Berhad, MIDF Amanah Asset Management Berhad and Talam Transform Berhad.

He has attended all 6 Board Meetings held during the financial year. Additionally, he attended all 3 Audit Committee Meetings, all 3 Nomination & Remuneration Committee Meetings and all 4 Risk Management Committee Meetings held during the financial year.

NIK ABDUL MALIK BIN NIK MOHD AMIN

Malaysian, aged 66, male

Non-Independent Non-Executive Director

Member, Risk Management Committee

Nik Abdul Malik bin Nik Mohd Amin was appointed to the Board of M&G as Independent Non-Executive Director on 24 February 2009 and was subsequently re-designated as Non-Independent Non-Executive Director on 23 February 2018.

He graduated from the University of Leeds, United Kingdom with Bachelor of Science (Honours) in Civil Engineering. He is a graduate member of The Institute of Engineers Malaysia and Board of Engineers Malaysia.

Nik Abdul Malik bin Nik Mohd Amin is the founder of an established property developer with more than 30 years' experience. Additionally, Nik Abdul Malik holds a vast experience in the oil & gas industries as well as highway concessions sector through his tenure as a director in a public listed company for more than a decade.

He started his career as Project Engineer with FAO / United Nations Development Programme in 1981 in a pilot project collaboration with the Drainage and Irrigation Department of Terengganu Darul Iman ("DID Terengganu"). He subsequently joined DID Terengganu in 1983 as District Engineer, and was subsequently promoted to Planning and Design Engineer in 1984. Between 1986 and 1989, he served as Project Engineer and Executive Director in two private construction companies, before assuming his current position as Managing Director of ND Group of companies, an established property developer and class A / grade G7 contractor.

He has no directorship in other public companies and listed issuers.

He has attended all 6 Board Meetings as well as all 4 Risk Management Committee Meetings held during the financial year.



SHARIFFUDDIN BIN KHALID

Malaysian, aged 59, male

Independent Non-Executive Director

Chairman, Nomination & Remuneration Committee

Member, Audit Committee (*resigned on 30 June 2023*)

Shariffuddin bin Khalid was appointed to the Board of M&G as Independent Non-Executive Director on 1 December 2017.

Shariffuddin is a Fellow Member of The Chartered Institute of Management Accountants, United Kingdom. He has over 35 years' experience in the banking and corporate sector. He is a qualified chartered global management accountant and has served in key positions in the corporate services, business development, corporate communication and human resource functions.

Shariffuddin has worked in the merchant banking industry, telecommunications industry and a local conglomerate. He was part of the management team that established and led Pengurusan Danaharta Nasional Bhd (a special purpose agency established during the Asian financial crisis). Most recently he served Bank Negara Malaysia for nearly 10 years – as the pioneer Director of the Malaysian International Islamic Financial Center initiative and then as the Director of Strategic Communications before completing his tenure of duty in 2017.

Current directorships in other public companies and listed issuers include Malayan Banking Berhad (Group), MCB Bank Limited and as Chairman of Maybank Cambodia.

He has attended all 6 Board Meetings, 2 out of 3 Audit Committee Meetings and all 3 Nomination & Remuneration Committee Meetings held during the financial year.

DATIN SHELINA BINTI RAZALY WAHI

Malaysian, aged 51, female

Independent Non-Executive Director

Chairperson, Audit Committee

Member, Risk Management Committee (*resigned on 30 June 2023*)

Datin Shelina binti Razaly Wahid was appointed to the Board of M&G as Independent Non-Executive Director on 1 August 2019.

Datin Shelina is a graduate from the University of Bristol. She completed her Bar Vocational course at Lincoln's Inn, London in 1996 and was called to the Malaysian Bar in 1998.

Datin Shelina began her legal career as a litigation lawyer, then moved in-house as corporate counsel with a large multinational O&G company, followed by stints at a leading media, content & consumer service provider, a start-up airline and an F&B start up, before returning to corporate legal practice.

In addition to being a corporate lawyer specializing in the aviation and aerospace sectors, Datin Shelina is currently the Honorary Secretary of the Malaysia Aerospace Industry Association and the Business Aviation Association and assists member companies in their engagements with Government agencies, banks and other industry shareholders. Datin Shelina is also active in the general aviation sector, particularly in relation to advising on regulatory matters.

She is currently a Board Member of Lam Soon (M) Berhad, an unlisted public company; as well as a Board Member of Pekat Group Berhad and Alcom Group Berhad, which are listed entities.

She has attended all 6 Board Meetings, all 7 Audit Committee Meetings and 1 out of 1 Risk Management Committee Meeting held during the financial year.

KAMARUL ARIFFIN BIN MOHD JAMIL

Malaysian, aged 55, male

Independent Non-Executive Director

Member, Audit Committee

Member, Nomination & Remuneration Committee

Kamarul Ariffin bin Mohd Jamil was appointed to the Board of M&G as Independent Non-Executive Director on 1 November 2020.

Kamarul is a graduate of University of Cambridge where he studied Economics. Kamarul's prior experience includes the oil and gas industry where he served in both the downstream business in Shell Malaysia Trading Sdn Bhd as well as the upstream business in Trenergy Malaysia Berhad. He also spent 5 years in Pengurusan Danaharta Nasional Berhad, the National Asset Management Company.

He is a member of the Asian Institute of Chartered Bankers with more than 17 years of experience in the banking industry in various capacity culminating in his last appointment as the Group Chief Executive Officer of Affin Bank Berhad. He was also the Chief Executive Officer of Affin Islamic Bank Berhad from 2006 until 2015.

He holds the position of Chairman of Fullrich Malaysia Sdn Bhd, an E-Wallet company operating under the E-Money licence of Bank Negara Malaysia. In addition, Kamarul is an Independent Non-Executive board member of UM Holdings Sdn Bhd, the corporate vehicle of University Malaya.

Kamarul is also an Independent Non-Executive Director of Maybank Asset Management Sdn Bhd and Chairman and Independent Non-Executive Director of Maybank Islamic Asset Management Berhad.

He has attended all 6 Board Meetings, all 7 Audit Committee Meetings and all 3 Nomination & Remuneration Committee Meetings held during the financial year.

MEGAT JOHA BIN MEGAT ABDUL RAHMAN

Malaysian, aged 61, male

Independent Non-Executive Director

Member, Audit Committee

Member, Nomination & Remuneration Committee

Megat Joha bin Megat Abdul Rahman was appointed to the Board of M&G as Independent Non-Executive Director on 15 April 2023.

He is a USA trained and qualified accountant who graduated from Boston University, Massachusetts with a Degree in Accounting & Finance in 1986 and started his career with Peat Marwick Mitchell, Chicago, USA. Having passed the USA CPA examination in 1987 in Chicago, he returned to join the KPMG Kuala Lumpur office in 1988.

In 1991, he joined Kumpulan FIMA Berhad where he served in various capacities including as the Vice President for the agro-based group and business development and as the Executive Director and Chief Executive Officer ("CEO") for Percetakan Keselamatan Nasional Sdn Bhd and Security Printers (M) Sdn Bhd.

In 1998, Megat Joha joined the Kuala Lumpur Stock Exchange ("KLSE") (now known as Bursa Malaysia Securities Berhad) as Investigations Senior Manager for Market Supervision. In 1999, he was the project head in establishing the Labuan International Financial Exchange ("LFX") for the KLSE and held the post of Assistant General Manager at LFX until 2002. He left the KLSE in early 2002 to assume the post of Chief Operating Officer cum Executive Director (Operations) at Mayban Securities Sdn Bhd until late 2005. Before his appointment to the Board of M&G Berhad, he was the Group Managing Director at C.I. Holdings Berhad until 3 January 2023, the General Manager of Boustead Sissons Paints Sdn Bhd and the Group CEO of Majuperak Holdings Berhad.

Currently, he is a Director of KUB Malaysia Berhad and Chairman of C.I. Holdings Berhad.

He has attended 5 out of 6 Board Meetings, 6 out of 7 Audit Committee Meetings and all 3 Nomination & Remuneration Committee Meetings held during the financial year.



ROZHAN ANWAR BIN ABDUL HALIM

Malaysian, aged 55, male

Independent Non-Executive Director

Member, Audit Committee

Member, Risk Management Committee

Rozhan Anwar bin Abdul Halim was appointed to the Board of M&G as an Independent Non-Executive Director on 15 April 2023.

Rozhan Anwar graduated from London School of Economics and Political Science, University of London with a Bachelor of Science in Economics specialising in Accounting and Finance. He has over 27 years of experience in the oil and gas industry with the national oil corporation, PETRONAS, in various departments and capacities with successful involvement in business & organizational improvements and transformation. He has held various senior positions in PETRONAS in the fields of Finance, Risk and Procurement until December 2021.

He has no directorship in other public companies and listed issuers.

He attended all 6 Board Meetings, all 7 Audit Committee Meetings and all 4 Risk Management Committee Meetings held during the financial year

Notes:

1. Family Relationship with Director and / or Major Shareholder

None of the Directors has any family relationship with any director and / or major shareholder of M&G.

2. Conflict of Interest

None of the Directors has any conflict of interest with M&G Group and its subsidiaries.

3. Conviction for Offences

None of the Directors has been convicted for offences within the past 5 years other than traffic offences, if any.

4. Sanctions and Penalty

None of the Directors has been sanctioned or penalised by any relevant regulatory bodies during the financial year.

PROFILES OF KEY SENIOR MANAGEMENT

TAN SRI MOHAMMED AZLAN BIN HASHIM

Malaysian, aged 67, male

Executive Chairman, Marine & General Berhad (“M&G”)

Details of Tan Sri Mohammed Azlan bin Hashim are set out in the Profiles of Board of Directors in page 4 of the Annual Report.

HAJI ABDUL RAHMAN BIN ALI

Malaysian, aged 63, male

Non-Independent Executive Director, M&G

Executive Vice - Chairman, Jasa Merin (Malaysia) Sdn Bhd (“JMM”)

Director, Jasa Merin (Labuan) Plc (“JML”), M&G Tankers Sdn Bhd (“MGT”), M&G Sutera 8 Sdn Bhd (“MGS8”) and TKH Marine (L) Ltd (“TKH”)

Details of Haji Abdul Rahman bin Ali are set out in the Profiles of the Board of Directors in page 4 of the Annual Report.

MOHD NOOR ISMARDI BIN IDRIS

Malaysian, aged 58, male

Chief Executive Officer, JMM

Director, JML, MGT, MGS8 and TKH

Mohd Noor Ismardi bin Idris joined JMM as the General Manager on 1 December 2006, and was subsequently re-designated as the Chief Executive Officer on 1 January 2020. His key responsibility is overseeing the operations and overall business of JMM.

Mohd Noor holds a Bachelor of Business degree from Western Australia College of Advanced Education. Mohd Noor has more than 30 years of professional and commercial experience in the areas of business development, corporate services, general management, finance and accounting. Prior to joining JMM, he served with Naluri Berhad, Kumpulan Fima Berhad, Malaysian Transnasional Trading Berhad, International Food Corporation Pte Ltd, and D&C Bank Berhad.

He is currently an executive committee member of the Malaysian Offshore Support Vessel Owner’s Association (“MOSVA”) and was a past committee member of the Malaysian Shipowners’ Association (“MASA”). The primary objective of MASA and MOSVA is to act as a collective platform for Malaysian ship-owners and offshore support vessel companies to address industry concerns and to further the interests of its members.



ABDUL HAFIDZ BIN ABDUL RAHMAN

Malaysian, aged 36, male

Chief Operating Officer, JML

General Manager – Corporate, JMM

Abdul Hafidz bin Abdul Rahman joined JML on 1 November 2018 as the Manager of Special Projects / Business Development, before being promoted as the Chief Operating Officer on 1 June 2022. His key responsibility is overseeing the operations of the Downstream Division. He is also currently serving as the General Manager – Corporate, for the Upstream Division.

Hafidz graduated with a Bachelor of Commerce (majoring in Finance) from Deakin University, Australia. He joined KPMG in 2011 as an audit associate serving clients such as Petroliam Nasional Berhad and other companies across different industries before leaving for the United Kingdom to pursue and complete the Master of Business Administration from Coventry University.

He then served Bank Islam Malaysia Berhad gaining experience in the consumer banking sector before joining RHB Investment Bank Berhad's group client coverage with exposure to corporate exercises that include IPO, debt and equity capital funding as well as corporate lending for government-linked companies and public listed companies. He is presently an executive committee member of the Malaysian Shipowners' Association ("MASA"), a platform for Malaysian ship-owners to address industry concerns and to further the interests of its members.

Hafidz is the son of Haji Abdul Rahman bin Ali, who is a major shareholder and Non-Independent Executive Director of the Company.

ABDUL RAHMAN BIN ABDULLAH

Malaysian, aged 59, male

Chief Operating Officer, JMM

Abdul Rahman bin Abdullah joined JMM on 29 January 2008 as a Business Development & Special Project Manager and was subsequently promoted to Chief Operating Officer on 1 January 2020.

Abdul Rahman graduated with a Bachelor of Arts in Economics from University of Georgia, USA. In 1990, he joined Mayban Finance Berhad as a Credit Control Officer. He then served Multi-Purpose Finance Berhad as a Branch Manager in 1995. Following the merger with Alliance Bank Malaysia Berhad in 1998, Abdul Rahman joined as an Assistant Manager. In 2008, Abdul Rahman joined JMM and played a crucial role in driving growth and developing strategic initiatives. Recognizing his contributions, he was promoted to Assistant General Manager (Operations) and further promoted to General Manager (Operations) in 2013.

With a wealth of experience, a solid educational background, and a track record of success, Abdul Rahman bin Abdullah brings a unique perspective and valuable expertise to his current role at JMM. He is a dedicated professional committed to driving growth, optimizing operations, and contributing to the organization's continued success.

MOHD NIZAM BIN ABD WAHAB

Malaysian, aged 56, male

General Manager, Finance

Member, Risk Management Committee

Mohd Nizam bin Abd Wahab joined the Group on 4 September 2008 as the Senior Manager, Corporate Finance of Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd (“SILK”) and assumed his current position on 1 May 2017.

He is responsible for all financial and treasury related matters of the Group which covers the overall financial management and planning to support decision making on operational and strategic issues of the Group.

Mohd Nizam holds a Bachelor of Science in Business Administration degree from Washington University in St. Louis, Missouri, USA.

Mohd Nizam brings over 30 years of experiences in accounting and reporting, financial and treasury management and tax planning having served as senior management in those areas in public and private companies for 12 years prior to joining the Group.

Notes:

1. Directorship in public companies and listed issuers

Save for Tan Sri Mohammed Azlan bin Hashim, none of the Key Senior Management has any directorship in public companies and listed issuers.

2. Family Relationship with Director and / or Major Shareholder

Save for Abdul Hafidz bin Abdul Rahman, none of the Key Senior Management has any family relationship with any director and / or major shareholder of M&G.

3. Conflict of Interest

None of the Key Senior Management has any conflict of interest with M&G Group.

4. Conviction for Offences

None of the Key Senior Management has been convicted for offences within the past 5 years other than traffic offences, if any.

5. Sanctions and Penalty

None of Key Senior Management has been sanctioned or penalised by any relevant regulatory bodies during the financial year.

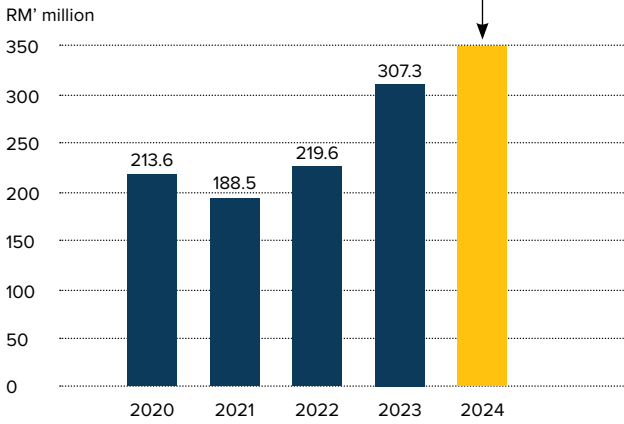


FIVE-YEAR GROUP FINANCIAL SUMMARY

| | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 | 2023 RM'000 | 2024 RM'000 |
|---|------------------|----------------|-----------------|----------------|-----------------|
| RESULTS | | | | | |
| REVENUE | 213,598 | 188,543 | 219,596 | 307,284 | 348,019 |
| (Loss) / Profit before taxation | (65,525) | 31,248 | (36,593) | 69,784 | 68,257 |
| Taxation | (839) | (5,517) | 382 | (664) | (494) |
| (Loss) / Profit after taxation | (66,364) | 25,731 | (36,211) | 69,120 | 67,763 |
| Less non-controlling interests | 16,732 | (16,681) | 7,401 | (21,034) | (20,728) |
| (LOSS) / PROFIT ATTRIBUTABLE TO SHAREHOLDERS | (49,632) | 9,050 | (28,810) | 48,086 | 47,035 |
| (LOSS) / EARNINGS PER SHARE (SEN) | (6.9) | 0.5 | (1.3) | 2.2 | 2.1 |
| FINANCIAL POSITION | | | | | |
| Property, vessels and equipment | 829,139 | 756,464 | 719,148 | 743,345 | 689,592 |
| Rights-of-use assets | 4,135 | 3,140 | 2,175 | 1,501 | 2,766 |
| Current assets | 126,304 | 87,191 | 104,773 | 115,195 | 164,904 |
| TOTAL ASSETS | 959,578 | 846,795 | 826,096 | 860,041 | 857,262 |
| Current liabilities | 1,014,504 | 105,828 | 127,710 | 151,616 | 136,179 |
| Long-term liabilities | 20,332 | 701,298 | 685,462 | 623,964 | 558,844 |
| TOTAL LIABILITIES | 1,034,836 | 807,126 | 813,172 | 775,580 | 695,023 |
| TOTAL NET ASSETS / SHAREHOLDERS' FUNDS | (75,258) | 39,669 | 12,924 | 84,461 | 162,239 |
| Other equity | - | (70,129) | (70,129) | (70,129) | (70,129) |
| Non-controlling interests | 117,077 | 82,057 | 85,480 | 64,005 | 41,785 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | 41,819 | 51,597 | 28,275 | 78,337 | 133,895 |
| SHARE CAPITAL | 270,003 | 270,003 | 270,003 | 270,003 | 270,003 |
| NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN) | 5.8 | 7.1 | 3.9 | 10.8 | 18.5 |
| GEARING RATIO | 109% | 95% | 98% | 90% | 79% |

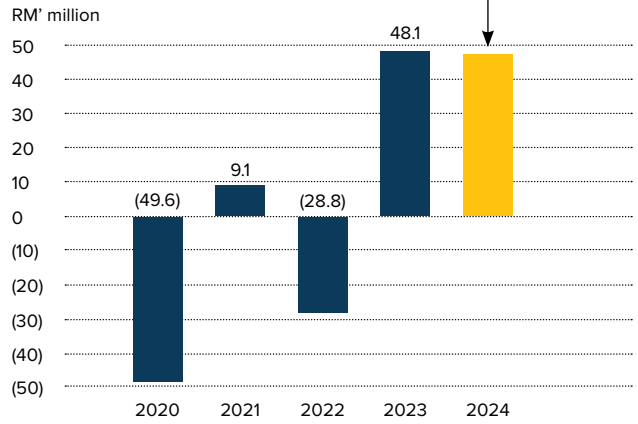
REVENUE

2024: RM348.0 MILLION



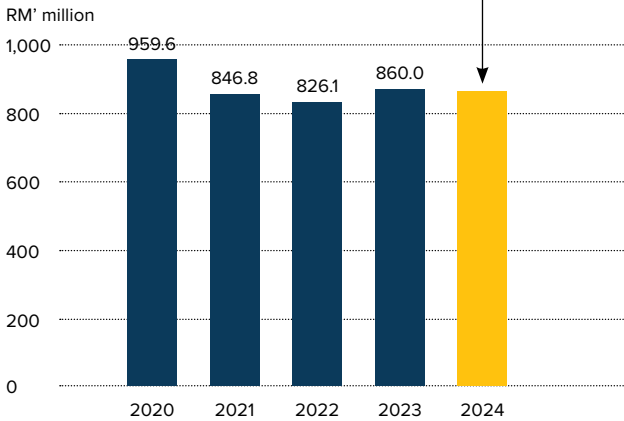
LOSS / PROFIT ATTRIBUTABLE TO SHAREHOLDERS

2024: RM47.0 MILLION



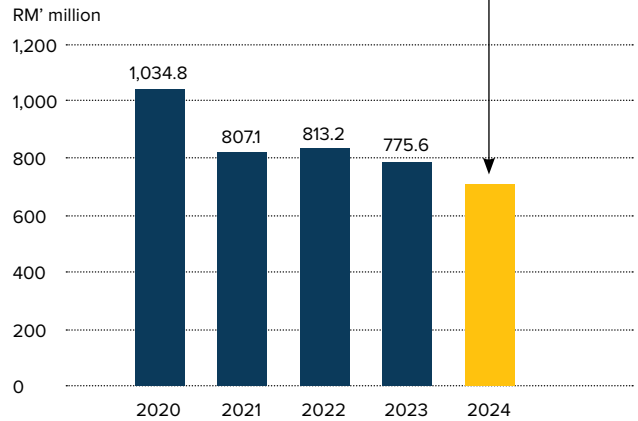
TOTAL ASSETS

2024: RM857.3 MILLION



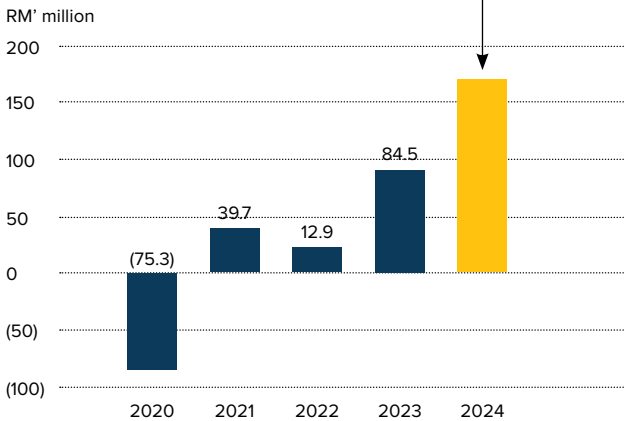
TOTAL LIABILITIES

2024: RM695.0 MILLION



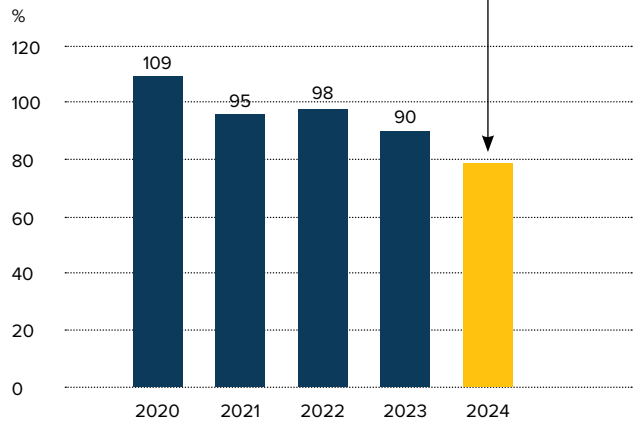
TOTAL EQUITY / NET ASSETS

2024: RM162.2 MILLION



GEARING RATIO

2024: 79%



MANAGEMENT DISCUSSION AND ANALYSIS

1. INTRODUCTION

Marine & General Berhad (“M&G” or “the Company”) was originally incorporated as SILK Concessionaire Holdings Sdn Bhd on 14 October 1996, and subsequently changed its name to Sunway Infrastructure Berhad on 14 February 2002. It assumed the name of SILK Holdings Berhad on 31 October 2008 and assumed its current name on 23 June 2017 after the successful completion of the disposal of the Company’s highway assets.

The Company, during the financial year under review, has two (2) major operating divisions, namely the Marine Logistics – Upstream Division (“Upstream”) spearheaded by Jasa Merin (Malaysia) Sdn Bhd (“JMM”) and the Marine Logistics – Downstream Division (“Downstream”), consisting of several ship owning companies (“SOCs”) including Jasa Merin (Labuan) Plc (“JML”), M&G Tankers Sdn Bhd (“MGT”) and M&G Sutera 8 Sdn Bhd under M&G Marine Logistics Holdings Sdn Bhd (“MGMLH”), and TKH Marine (L) Ltd under MGT.

JMM charters out offshore support vessels (“OSV”) for use by the oil majors in their exploration and production activities. On the other hand, the SOCs under the Downstream Division charter out liquid bulk carriers (“LBC”) to the petro-chemical and oleo-chemical industries, where the vessels are used to transport liquid bulk products.

During the financial year under review, JMM operated a fleet of twenty-two (22) vessels consisting of ten (10) 60-meter 60 metric tonne (“MT”) bollard pull (“BP”) Anchor Handling Tug Supply (“AHTS”) vessels, ten (10) 70-meter 120 MT BP AHTS vessels and two (2) 60-meter Straight Supply Vessels (“SSV”). The Downstream Division, which began operations in 2016 with JML, operated eight (8) chemical and clean petroleum product (“CPP”) tankers during the financial year under review.

2. OPERATING CONDITIONS

a. Upstream Division

Global oil demand increased by 1.5 million barrels per day in 2023 but the growth slowed down to 740,000 barrels per day in the first quarter of 2024. The slowing growth was partly due to lower consumption by China, which has long been the engine of growth, particularly due to lower demand for industrial fuels and petrochemical feedstocks.

Brent crude oil prices



2. OPERATING CONDITIONS (CONT'D)

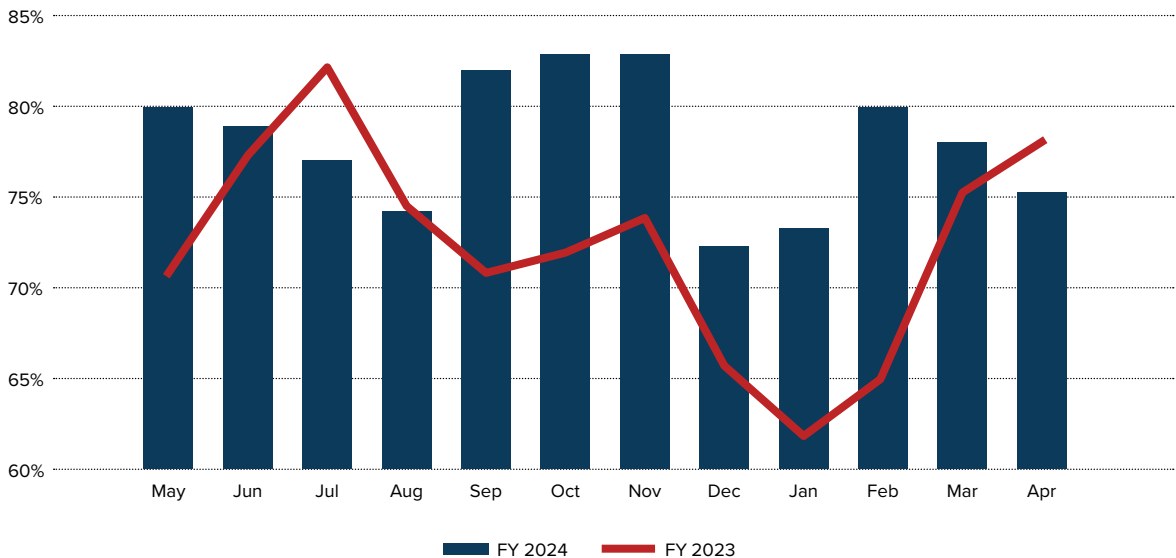
a. Upstream Division (cont'd)

Coupled with the sustained control of production increase by OPEC+ alliances, the crude oil prices have been relatively stable in the year under review with Brent crude oil traded at between USD74 and USD93 per barrel as compared to between USD73 to USD119 in the preceding financial year.

The sustained high oil prices have been supportive to active oil and gas activities domestically. Although the oil production has been relatively stable, the oil exploration and drilling activities have been ramped up to expand the national oil reserves.

Given that a sizeable fleet of the Division is serving the drilling activities, our OSV vessel utilisation has improved from 73% in the preceding year to 78% in the financial year under review.

Average OSV utilisation rate



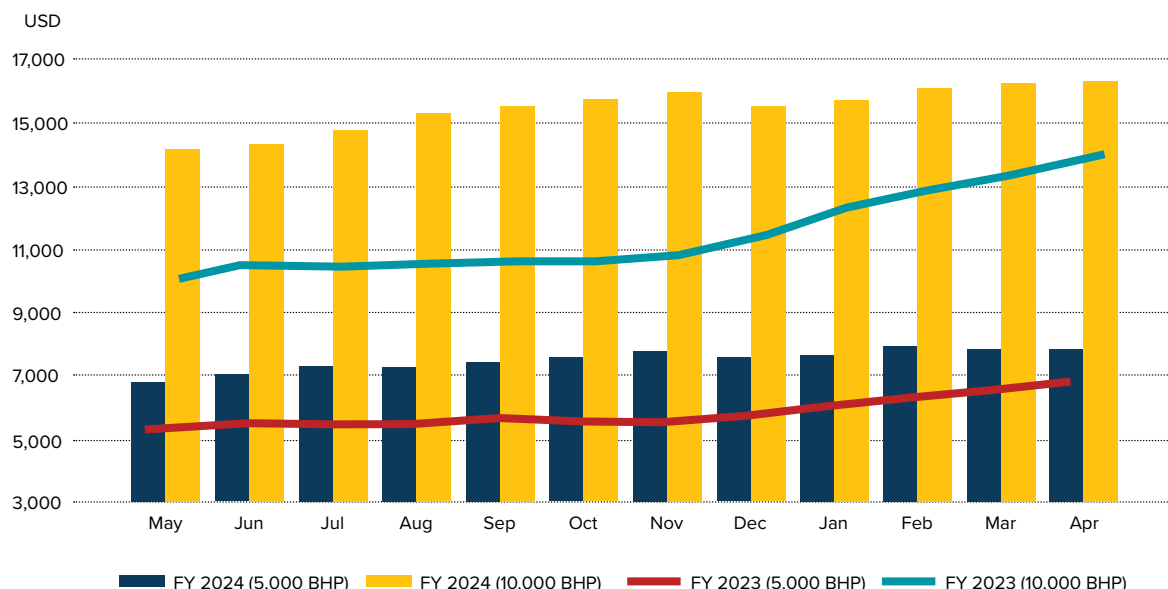
In relation to daily charter rates (“DCR”), the rates have been trending upwards in the past 2 years in line with the increasing trends in the Asia Pacific region.

The increase in the DCR is attributable to higher vessel demand as result of the sustained high oil prices and the ramp up of oil and gas exploration and drilling activities. To a certain extent, the increase was also due to shortage of vessels following the two major shocks to the oil and gas industry in the last 10 years, namely the slump in oil prices after peaking in 2014 and the decimation of demand arising from reduction in economic activities during Covid-19 pandemic. The prolonged low oil prices from late 2014 to 2021 resulted in several OSV owners / operators exiting the business whilst most of the surviving ones had to right-size their fleets.

2. OPERATING CONDITIONS (CONT'D)

a. Upstream Division (cont'd)

The average daily charter rates for the Asia Pacific region



In terms of operations, the Upstream Division was able to maintain a high standard of operational excellence and safety performance. As at end of the financial year under review, the Division accumulated approximately 17 million man-hours without any Loss Time Injury (“LTI”). This is a commendable achievement given that its last LTI incident occurred in April 2013.

In line with the strong safety culture, during the financial year under review, the Division received the following awards from its customers:

- ENQUEST Recognition of Notable HSE Award
- PTTEP CEO SSHE Excellence Award
- EMEPMI Safe and Reliable Operation 2023 – Vessel JM Gemilang

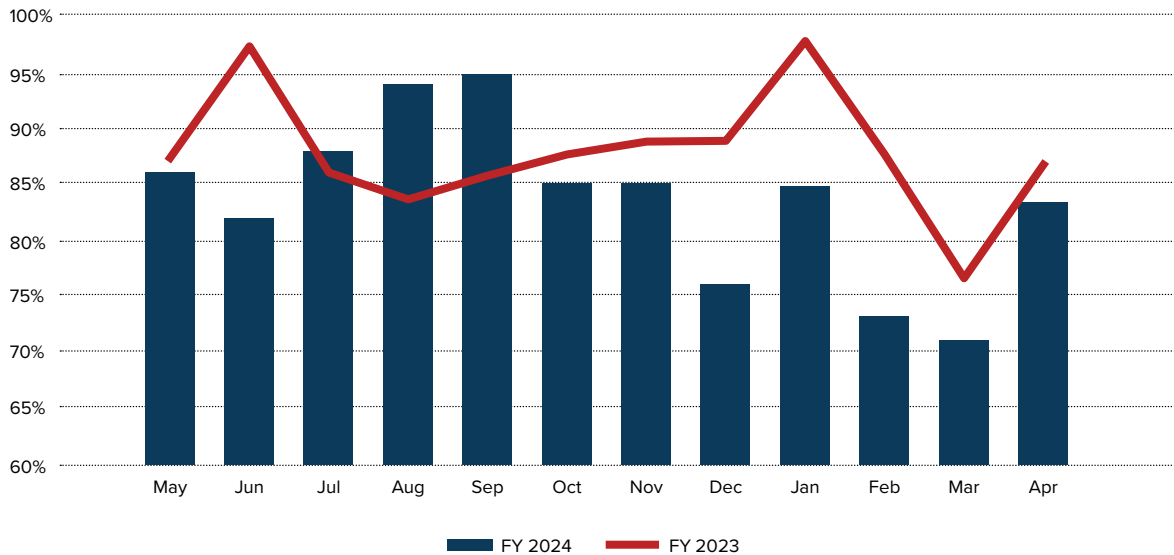
b. Downstream Division

In line with the stable economy, the Division continued to make progress in the financial year under review despite tanker utilisation reducing slightly to 84% due to unexpected repair works. At present, all the tankers are on time charter contracts with the exception of one (1) CPP tanker, which is currently running on voyage charter contract.

2. OPERATING CONDITIONS (CONT'D)

b. Downstream Division (cont'd)

Tanker Utilisation Rate



During the period under review, the Division operated one (1) third party CPP tanker on bareboat charter, bringing the total number of vessels it operates to eight (8).

As part of the Division's fleet optimisation strategy, the Division disposed-off two (2) CPP tankers, being two (2) of the older vessels in the fleet, to international buyers in December 2023 and in March 2024 respectively. The Downstream Division ended the financial year owning five (5) vessels consisting of four (4) chemical tankers and one (1) CPP tanker.

As part of the Division's long-term strategy to become a major tanker operator in Malaysia, the Division continues to focus on operational excellence to meet the high operational and safety standards of oil companies. Tanker Management Self-Assessment programs and plans for strategic safety partnership programs with major oil companies are on-going to materialise these targets. Further, the Division will continue to consider fleet expansion based on market demand and strategic opportunities.

Foreign currency

During the financial year under review, Ringgit continued to depreciate against the United States Dollar ("USD") in line with global and regional trends that were mainly driven by external factors (instead of weakening domestic economic fundamentals). These include the US increasing its policy interest rate to 5.3% in their effort to bring inflation under control, the US debt impasse and the episode of stress in the US and European banks. These volatilities prompted many investors to seek safe assets such as USD and consequently financial outflows from many emerging economies as investors seek to protect their investments. Consequently, USD has strengthened against most currencies including Ringgit.



2. OPERATING CONDITIONS (CONT'D)

b. Downstream Division (cont'd)

Foreign currency (cont'd)

Although Malaysia has reacted by increasing its policy rate to 3%, Ringgit depreciated to a record low of RM4.7975 post 1997 Asian financial crisis in February 2024. Consequently, the USD average exchange rate has increased by 4.7% from RM4.4601 in FY 2023 to RM4.6713 for FY 2024, whilst the closing exchange rate has increased by 7.0% to RM4.7700 as at 30 April 2024 from RM4.4585 as at 30 April 2023.

RM to USD Exchange Rate



Given the operating subsidiaries of the Downstream Division trade mainly in USD, the appreciating USD currency exchange rate has had material effect to the Group during the current financial year.

However, in the period post financial year end, Ringgit has appreciated against the USD to RM4.4320, as at 15 August 2024 (Bank Negara Malaysia middle rate as at 5 p.m.). Given the volatility of currency movement, Management continues to monitor this carefully and examine risk mitigation measures.

3. FINANCIAL PERFORMANCE

Results

| | FY 2024 RM'000 | FY 2023 RM'000 | Change RM'000 | % |
|--|-------------------|-------------------|------------------|---------------|
| Revenue | 348,019 | 307,284 | 40,735 | 13.3% |
| Direct expenses | (261,466) | (231,115) | (30,351) | 13.1% |
| Gross profit | 86,553 | 76,169 | 10,384 | 13.6% |
| Other income* | 18,299 | 6,751 | 11,548 | 171.1% |
| Administrative and other expenses* | (27,460) | (22,124) | (5,336) | 24.1% |
| Net (loss) / gain on impairment of financial instruments | (685) | 400 | (1,085) | ** |
| Net finance costs | (34,210) | (33,790) | (420) | 1.2% |
| Profit before net reversal of vessel impairment loss | 42,497 | 27,406 | 15,091 | 55.1% |
| Net reversal of vessel impairment loss | 25,760 | 42,378 | (16,618) | (39.2%) |
| Profit before taxation | 68,257 | 69,784 | (1,527) | (2.2%) |
| Taxation | (494) | (664) | 170 | (25.6%) |
| Profit after taxation | 67,763 | 69,120 | (1,357) | (2.0%) |
| Other comprehensive income, net of tax | | | | |
| Foreign currency translation differences for foreign operations | 10,015 | 2,417 | 7,598 | 314.4% |
| Other comprehensive income for the financial year, net of tax | 77,778 | 71,537 | 6,241 | 8.7% |
| Vessel charter days: | | | | |
| - Upstream Division | 6,228 | 5,917 | 311 | 5.3% |
| - Downstream Division | 2,316 | 2,516 | (200) | (7.9%) |
| Vessel utilisation | | | | |
| - Upstream Division | 78% | 73% | | 6.8% |
| - Downstream Division | 84% | 88% | | (4.5%) |

* Amount after reclassification of the reversal of vessel impairment and vessel of impairment loss respectively.

** Not meaningful.



3. FINANCIAL PERFORMANCE (CONT'D)

Revenue

During the financial year under review, the Group recorded RM348.0 million revenue, representing a RM40.7 million or 13.3% increase from the previous financial year ended 30 April 2023 ("FY 2023"). The increase was mainly attributable to higher charter activities and charter rates for the Upstream Division in line with the continued increase in oil drilling activities and the robust general economic activities in the region.

Direct expenses

| | FY 2024 RM'000 | FY 2023 RM'000 | Change RM'000 | % |
|-----------------|-------------------|-------------------|------------------|-------|
| Direct expenses | 261,466 | 231,115 | 30,351 | 13.1% |

Direct expenses increased by RM30.4 million from RM231.1 million in the preceding year to RM261.5 million during the current financial year in line with the increasing charter activities and higher vessel depreciation and dry-docking amortisation expenses following the reversal of vessel impairment loss in the preceding year and the vessel dry-docking exercises undertaken in the two past years.

Gross profit

During the financial year under review, the Group recorded RM86.6 million gross profit representing RM10.4 million or 13.6% increase in the current financial year, in line with higher revenue.

Other income

The Group recognised RM18.3 million other income during the current financial year, representing RM11.5 million increase from RM6.8 million recognised in the preceding year. The increase was mainly attributable to the recognition of RM17.8 million gain from the disposal of two (2) tankers during the financial year.

Administrative and other expenses

| | FY 2024 RM'000 | FY 2023 RM'000 | Change RM'000 | % |
|---|-------------------|-------------------|------------------|---------|
| Administrative expenses | 27,370 | 22,123 | 5,247 | 23.7% |
| Other expenses | 2,322 | 2,879 | (557) | (19.3%) |
| | 29,692 | 25,002 | 4,690 | 18.8% |
| Less vessel impairment loss reclassified to net reversal of vessel impairment | (2,232) | (2,878) | 646 | (22.4%) |
| Administrative and other expenses, net of vessel impairment loss | 27,460 | 22,124 | 5,336 | 24.1% |

The Group recorded RM5.3 million higher administrative and other expenses during the current financial year mainly due to an increase in personnel costs as the Group adjusted staff remuneration packages to match improvements in the Group's financial condition.

3. FINANCIAL PERFORMANCE (CONT'D)

Net finance costs

Net finance cost increased marginally in the current year to RM34.2 million from RM33.8 million in FY 2023. The impact of the borrowing repayments during the year was offset by the increase in the financing profit rates.

Profit before net reversal of vessel impairment loss

The Group recorded profit before net reversal of vessel impairment loss of RM42.5 million in the current financial year as compared to RM27.4 million profit recorded in FY 2023. The improvement was mainly attributable to higher operating results and the gain from disposal of two (2) vessels during the current financial year.

Net reversal of vessel impairment

| | FY 2024 RM'000 | FY 2023 RM'000 | Change RM'000 | % |
|--|-------------------|-------------------|------------------|---------|
| Reversal of vessel impairment loss | 27,992 | 45,256 | (17,264) | (38.1%) |
| Vessel impairment loss | (2,232) | (2,878) | 646 | (22.4%) |
| Net reversal of vessel impairment loss | 25,760 | 42,378 | (16,618) | (39.2%) |

During the financial year, the Group recorded RM16.6 million lower net reversal of vessel impairment loss amounting to RM25.8 million as compared to RM42.4 million in FY 2023. The reversal / (additional vessel impairment loss) was arrived at after taking into account the vessel market value less estimated cost of disposal and the vessel carrying value. Despite the increase in the vessel age, the vessel market value remains stable from the prior year.

Foreign currency translation difference for foreign operations

The Downstream Division operating subsidiaries adopt USD as the functional currency given their revenue and expenditures are mostly earned and incurred in USD.

On consolidation, the Group translated the Downstream Division's income and expenditures using the average exchange rate for the period. Given the revenue and expenditures are mostly earned and incurred in USD, the Division faces minimal transactional exchange rate risk and therefore, did not enter into any hedging arrangement.

In relation to the statement of financial position of the Downstream Division subsidiaries as at the financial year end, they have been translated to Ringgit using the closing rate as at that date. In line with higher USD exchange rate as at 30 April 2024 of RM4.7700 as compared to RM4.4585 as at 30 April 2023, the Group recorded a gain amounting to RM10.0 million in other comprehensive income from the foreign currency translation difference.

4. FINANCIAL POSITION

Assets and liabilities

| | 30.4.2024 | 30.4.2023 | Change | |
|---|----------------|----------------|-----------------|----------------|
| | RM'000 | RM'000 | RM'000 | % |
| Non-current assets | 692,358 | 744,846 | (52,488) | (7.0%) |
| Current assets | 164,904 | 115,195 | 49,709 | 43.2% |
| Total assets | 857,262 | 860,041 | (2,779) | (0.3%) |
| Equity | 162,239 | 84,461 | 77,778 | 92.1% |
| Non-current liabilities | 558,844 | 623,964 | (65,120) | (10.4%) |
| Current liabilities | 136,179 | 151,616 | (15,437) | (10.2%) |
| Total liabilities | 695,023 | 775,580 | (80,557) | (10.4%) |
| Total equity and liabilities | 857,262 | 860,041 | (2,779) | (0.3%) |
| Equity attributable to owners of the Company | 133,895 | 78,337 | 55,558 | 70.9% |
| Net current assets / (liabilities) | 28,725 | (36,421) | 65,146 | (178.9%) |
| Gearing | 79% | 90% | (11.0%) | (12.2%) |

At 30 April 2024, total assets of the Group marginally decreased by RM2.8 million from RM860.0 million as at 30 April 2023 to RM857.3 million as at 30 April 2024, mainly due to net decrease in property, vessel and equipment in line with depreciation expenses and dry-docking amortisation amounting to RM79.3 million that was partially offset by RM25.8 million net reversal of vessel impairment loss.

Further, total liabilities contracted by RM80.6 million from RM775.6 million as at 30 April 2023 to RM695.0 million as at 30 April 2024. The reduction was mainly due to RM66.5 million reduction in borrowings via financing repayments and RM15.6 million decrease in trade payables during the current financial year.

Liquidity

The Group has maintained sufficient liquidity level during the year in line with higher net cash inflows from its operating activities to meet its capital expenditures and borrowing obligations. This was further aided by the disposal of two (2) vessels during the financial year that generated net cash amounting to RM53.4 million.

Gearing

Following the all-round improvement in the operations, scheduled borrowing repayments and the disposal of two (2) vessels, the Group has improved its capital and net debt position as at the financial year-end. Consequently, the Group has reduced its gearing ratio from 90% as at 30 April 2023 to 79% as at 30 April 2024.

4. FINANCIAL POSITION (CONT'D)

Capital expenditure and commitments

Given the industry conditions, the Group's main objective in its capital expenditures for the current and the next financial years is to ensure all of its vessels continue to be seaworthy and capable of being deployed to serve clients. As part of the international shipping convention, the Group undertakes major maintenance of its vessels every two and half (2 ½) years to ensure their continued seaworthiness.

| | Capital Expenditure in FY 2024 | Commitment for FY 2025 |
|---|--------------------------------------|---------------------------|
| Vessel major maintenance: | | |
| - no. of vessels docked | 10 | 7 |
| | RM'000 | RM'000 |
| - vessel major maintenance (docking expenditures) | 22,760 | 40,160 |
| Other capital expenditures | 279 | 838 |
| Total capital expenditures and commitments | <u>23,039</u> | <u>40,998</u> |

The Group expects to incur higher capital expenditures in FY 2025 in line with the planned docking activities which include mobilisation of one (1) 70-meter 120 MT BP AHTS that is laid-up, in line with the improving demand for OSV.

5. PROSPECTS

The national economy posted growth of 4.2% in the first quarter (Q1) of 2024 exceeding expectation, with analysts projecting a full year growth of between 4.0% to 5.0%, surpassing the 3.7% recorded in 2023. The first quarter performance was fuelled by productivity improvements in the pivotal sectors of oil and gas, palm oil, manufacturing and services as well as higher household spending, growth in employment and wages, higher capital spending and a rebound in exports.

Despite the economic growth in Q1, Ringgit slid to its 26-year low against the USD in February 2024. However, Ringgit has improved in early August 2024 and strengthened to around 4.3 to 4.4 level. Moving forward, Ringgit is expected to continue strengthening in 2025 supported by the country's economic growth recovery and resilience. Further, the United States Federal Reserves is expected to reduce its policy rates which will narrow the interest rate gap between the currencies which will be beneficial to the Ringgit.

In relation to the oil and gas market, Brent oil prices have stabilised comfortably between more than USD70 and USD80 per barrel since early of the year. Average per barrel for 2024 is expected to be about USD85 level which is above the recorded average of USD82 per barrel in the year 2023. Global oil demand is expected to increase in 2025 by 980,000 barrels per day sustained by continued solid economic activities in China and the expected economic growth in the Middle East and India, as transportation is set to drive the demand growth, with air travel expected to see further expansion, as both international and domestic traffic increase.

5. PROSPECTS (CONT'D)

On the local front, domestic economic fundamentals continue to improve and analysts are positive on the medium-term prospects for the Malaysian oil and gas sector. It is also expected that the budgeted capital spending by PETRONAS will proceed as planned. In its recent Activity Outlook, PETRONAS outlined its plan to grow and sustain the country's production of oil and gas of 2 million barrels of oil equivalent per day by 2025 and beyond, which will be supported by various oil and gas projects such as Kasawari, Jerun, Rosmari-Marjoram and Lang Lebah in Sarawak, Gemusut-Kakap Redev and Belud Clusters in Sabah, and Bekok Oil Redev, Tabu Redev and Seligi Redev in Peninsular Malaysia.

In line with these developments, PETRONAS expects to ramp up its exploration activities and forecasts that more than 25 wells will be drilled in the next 3 years. Although the administration of oil and gas activities in Sarawak may change with the involvement of PETROS, the Group remains confident and expect minimal impact as the requirement for vessels will remain intact. Accordingly, the Upstream Division looks forward to a more active year ahead in FY 2025.

In relation to the Downstream Division, the Division expects the charter operations to continue to be active in the next financial year, buoyed by the sustained economic activities and national economic growth that is expected to surpass 2023's performance.

The Downstream Division operates a fleet of four (4) chemical tankers and two (2) CPP tankers. In terms of chemical tankers, other than the MISC group, M&G Downstream Division has the largest chemical tanker fleet in the country. Chemical tankers offer the charterers more flexibility to carry not only chemicals but also other products such as CPP and edible oils. This competitive advantage should ensure good and continued demand for our chemical tankers.

Despite the reducing number of vessels from eight (8) in the preceding financial year to six (6) currently, the commercial prospects over the medium term remain positive given the Division's excellent operating standards that will ensure continued commercial competitiveness, as well as the shortage of Malaysian-flagged tankers in the market. The Downstream Division remains committed to its long-term growth plan with fleet expansion being continuously considered based on market demand and strategic opportunities.

Nevertheless, the Board is also cautious about the potential economic disruption brought about by the geo-political instability in the Middle East and Europe, and the outcome of the United States Presidential election which could give rise to policy changes that could affect global and domestic economic climate. In view of the foregoing, the Board remains cautiously optimistic on the prospects for the next financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Marine & General Berhad (“M&G” or “the Company”) and its group of companies (“the Group”) fully appreciates the role good governance plays in enhancing shareholder value. The Board is committed towards complying with the requirements set out in the Malaysian Code on Corporate Governance (“the Code”) and strives to adopt the substance behind the corporate governance prescriptions to the best of its ability.

The Board is pleased to report to its shareholders on the application of the Principles as set out in the Code within the Company during the financial year.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) Board Responsibilities

Functions of the Board

The Company is led and controlled by an effective Board that assumes, amongst others, the following principal responsibilities in discharging its stewardship and fiduciary functions:

- a) Setting the objectives, goals and strategic plans with a view to maximising shareholder value;
- b) Adopting and monitoring the progress of strategies, budgets, plans and policies;
- c) Overseeing the conduct of businesses to evaluate whether the businesses are properly managed;
- d) Identifying principal risks and ensuring the implementation of appropriate systems to mitigate and manage these risks;
- e) Considering Management’s recommendations on key issues including acquisitions, divestments, restructuring, funding and significant capital expenditure;
- f) Human resources planning and development; and
- g) Reviewing the adequacy and integrity of internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

On a more routine level, the Board sets the annual business targets and budgets for the coming year. This is usually undertaken in the fourth quarter of the financial year. Resources required by Management to meet their targets are considered and approved by the Board at the same time it considers and sets targets for the coming year.

In terms of oversight, the Board also sets clear, pre-defined Financial Authority Limits on Management to ensure major decisions, specifically for investments or capital expenditures, are only undertaken after careful consideration by the Board and its various Board Committees, where appropriate. In essence, decisions affecting key business considerations or where they involve a value higher than what has been approved for Management, are all reserved for the Board.

The Company had convened a total of six (6) Board Meetings during the financial year ended 30 April 2024.

Board Committees

The Board has set up three (3) Board Committees to assist the Board in discharging its functions, namely the Audit Committee, Nomination & Remuneration Committee and Risk Management Committee (*the details and membership of each Committee are elaborated in their respective sections*). The Committees are required to report to the Board on all their deliberations and recommendations and such reports are incorporated into the minutes of the Board Meetings.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(I) Board Responsibilities (cont'd)

Appointment of a Chairman

Tan Sri Mohammed Azlan bin Hashim ("Tan Sri Mohammed Azlan") was appointed to the role of Executive Chairman on 24 June 2008.

Tan Sri Mohammed Azlan is an experienced company director and corporate leader having served leadership roles at Amanah Capital Malaysia Berhad and Bursa Malaysia Berhad in the past. As Chairman of the Board of Directors, Tan Sri Mohammed Azlan carries out a leadership role in guiding the conduct of the Board and its relationships with shareholders and other stakeholders. He maintains a close professional relationship with his management team. In addition, he chairs Board meetings, as well as general meetings of shareholders, and concerns himself with the good order and effectiveness of the Board and its processes.

Separation of Positions of Chairman and Chief Executive Officer ("CEO") / Managing Director

Given Tan Sri Mohammed Azlan's strong leadership, business acumen and wide experience, the Board continues to maintain this arrangement of combining the two (2) positions which it feels is in the best interest of the Company. Decisions by the Board are only made after the issues have been deliberated at length by the Board, wherein the views of each Board member are sought. Tan Sri Mohammed Azlan is not a member of any of the Board Committees established by the Board. This ensures the various Committees are able to discharge their functions independently of the Executive Chairman.

The Executive Chairman's role in the day-to-day operations of the Company is explained in the Board Charter and is mainly to provide leadership, strategic vision, high-level business judgment and wisdom, and the ability to meet immediate performance targets without neglecting longer-term growth opportunities of the Company.

In addition, the day-to-day operations of the operating subsidiaries within the Group are carried out by the respective Heads of Division, who report to their respective Boards. The Executive Chairman does not sit on the Boards of the operating subsidiaries and is therefore not a party to the decisions made at the operating subsidiary level.

The Executive Chairman is also subject to the Financial Authority Limits which sets pre-defined limits on his authority. For example, under the current limits, the Executive Chairman is only allowed to approve unbudgeted transactions up to RM500,000. Meanwhile, key investment and disposal decisions of the holding company, i.e. those with a value of RM500,000 or more, are only considered by the Board of Directors after a recommendation from the Risk Management Committee.

The Board is satisfied with the adequacy of the controls and limits in place and is of the opinion that retaining the existing arrangement is in the best interest of the Company given its business, size and complexity.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**(I) Board Responsibilities (cont'd)**Qualified and competent Company Secretaries

In order to assist the Board with its functions, the Company has appointed two (2) qualified Company Secretaries:

1. Ms Lim Hui Ming; and
2. Ms Chia Poh Tin.

Both are suitably qualified and competent Company Secretaries with valid practising certificates approved by the Companies Commission of Malaysia (“CCM”) and who are supported by appropriately qualified secretarial staff to ensure they are able to discharge their duties effectively and efficiently.

At least one of the Company Secretaries will attend the Company’s Board or Committee meetings and ensure that accurate and proper records of the proceedings and resolutions passed are properly maintained. The Company Secretary in attendance acts as a reference point on matters relating to procedures, governance as well as regulatory requirements.

The Company Secretaries also provide updates and assist the Board with interpreting regulatory and listing requirements related to the Company. Outside of scheduled meetings, the Company Secretaries also play a key role in advising and guiding Management with respect to compliance matters. From time to time, the Company Secretaries also update the Board members in relation to relevant training courses that are available for their consideration and assist in the registration of the training seminars / workshops attended by the Directors, if any.

During the Annual General Meetings of the Company, the Company Secretaries also coordinate with the Share Registrar, Independent Scrutineer, Shareholders, Board of Directors, the Management, etc. to ensure smooth running of the meetings.

The Company Secretaries constantly keep themselves abreast of the evolving environment, regulatory changes and developments in Corporate Governance through attendance at relevant conferences and training programmes. They have also attended continuous professional development programmes as required by the CCM, The Malaysian Institute of Chartered Secretaries and Administrators and other professional bodies.

Board Charter

The Board has formally adopted its Board Charter which is periodically reviewed and kept up-to-date with changes in regulations and best practices to ensure its effectiveness and relevance to the Board objectives. The Board Charter was last reviewed in September 2022 to incorporate changes made by the Code. The revised Board Charter was subsequently adopted with effect from 28 October 2022.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(I) Board Responsibilities (cont'd)

Board Charter (cont'd)

The Board Charter of the Company sets out the role of the Board and it also lists the broad powers of the Board. It clearly sets out the various Board Committees formed to oversee and address matters which require detailed review or in-depth consideration. In detail, the Board Charter covers the following:

- Composition
 - Composition of the Board;
 - The Executive Chairman's role;
 - The Executive Chairman's day-to-day management role; and
 - Non-Executive Directors' roles;
- Board structure and procedures
 - Board's role;
 - Board's power;
 - Board's performance;
 - Board's committees; and
 - Board meetings;
- Access
- Independent Professional Advice
- Remuneration
- Indemnification and Directors and Officers insurance

The Board Charter is available for viewing on the Company's website (www.marine-general.com.my).

Demarcation of responsibilities

The Board takes it upon itself to ensure that shareholders' interests and its goal of creating sustainable value over the long-term are always kept in view in any major decision it makes. The Board does so by segregating its role into that of overall stewardship and setting the strategic direction for the Company.

The Management manages the day-to-day operations and administration of the Company, in accordance with the strategic direction and delegations of the Board. The Board continuously oversees the activities of Management in carrying out these delegated duties.

The daily running of the business is entrusted to the respective Heads of Division of the Company who report directly to the Executive Chairman. At the operating subsidiary level, the Chief Executive Officer ("CEO") of Jasa Merin (Malaysia) Sdn Bhd ("JMM"), reports directly to the Executive Vice-Chairman of JMM and its Board while in the case of Jasa Merin (Labuan) Plc, its Chief Operating Officer ("COO") oversees the various functions and reports directly to its Board.

Management at both the holding company and operating subsidiaries all carry out their duties under pre-defined Financial Authority Limits set by their respective Boards. These Financial Authority Limits are reviewed from time to time to ensure continued relevance, effectiveness and efficiency.

The Board is satisfied with the existing demarcation of responsibilities given the business, size and complexity of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**(I) Board Responsibilities (cont'd)**Code of Conduct and Ethics

The Company has an Employee Code of Conduct to guide employees on the Company's expectations as well as to set parameters for acceptable professional behaviour.

The Code of Conduct for the Company was originally part of the Staff Handbook made available to employees of the Company. It has, since November 2017, been adopted separately to provide more prominence to the provisions therein. It has also been revised and expanded to add provisions on anti-bribery, corruption, insider trading and money laundering as a means to further strengthen the Code of Conduct and bring it more in-line with the requirements of the Code.

The Employee Code of Conduct was reviewed and amended on 19 May 2020. Revisions were made to reduce ambiguities with respect to the terminology used, improve the connectivity of the Employee Code of Conduct with other relevant corporate policies and enhance the existing section on anti-bribery and corruption etc.

The latest Employee Code of Conduct is also published on the Company's website (www.marine-general.com.my) for reference.

In addition to the above, the Board constantly observes the Directors' Code of Ethics, which forms part of the Board Charter and upholds integrity in discharging its fiduciary duties.

Anti-Bribery & Corruption Policy

In response to the latest Malaysian regulatory development pertaining to anti-corruption, M&G established a stand-alone Anti-Bribery and Corruption ("ABAC") Policy that is applicable to all its Group Directors and employees effective from 28 April 2020. The ABAC Policy was last reviewed on 27 March 2023 and consequently the latest version was adopted with effect from 1 June 2023.

Whistle-Blowing Policy

The Company adopted a Whistle-Blowing Policy in 2012 to introduce a safe and acceptable platform for employees to channel concerns about illegal, unethical or improper business conduct affecting the Company and about business improvement opportunities so as to ensure that no member of staff should feel at a disadvantage in raising legitimate concerns.

The Whistle-Blowing Policy was reviewed and updated recently on 15 December 2023. The updated Whistle-Blowing Policy has kept the safeguards put in place by the original policy but takes into account recent changes to the organisational structure of the Company and its subsidiaries.

The Whistle-Blowing Policy is available for viewing on the Company's website (www.marine-general.com.my).



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(II) Board Composition

Composition of independent members

During the financial year under review, the Company's Board of Directors had a total of nine (9) Directors. Five (5) of the Directors who served on the Board during the financial year under review are Independent Directors. The Independent Directors are from diverse professional and business backgrounds, including members with experience in banking and finance, accounting and legal practice. The profile for each of the members of the Board is contained on pages 4 to 8 of this Annual Report.

With five (5) Independent Directors out of the total nine (9) Directors, this complies with Practice 5.2 of the Code.

The Nomination & Remuneration Committee

The Company's Nomination & Remuneration Committee for the financial year ended 30 April 2024, comprised the following:

1. Shariffuddin bin Khalid (Independent Non-Executive Director);
2. Kamarul Ariffin bin Mohd Jamil (Independent Non-Executive Director);
3. Tai Keat Chai (Non-Independent Non-Executive Director); and
4. Megat Joha bin Megat Abdul Rahman (Independent Non-Executive Director).

The Nomination & Remuneration Committee is currently chaired by En Shariffuddin, an Independent Director of the Company. As the Chairman of the Nomination & Remuneration Committee, he oversees the evaluation process for new appointments to the Board, annual review of the Board and Board Committees' effectiveness, independent assessment of the performance of each individual Director and reviews the succession planning initiative of the Group.

The Company's Nomination & Remuneration Committee is guided by a clear Terms of Reference, which is made available on the Company's website (www.marine-general.com.my).

During the financial year, the Nomination & Remuneration Committee convened a total of three (3) meetings, to discuss and deliberate matters within the ambit of its Terms of Reference. Among the matters deliberated during the year include:

1. Annual review of the composition of the Board and various Board Committees.
2. Annual assessment of the performance of the Board and Board Committees.
3. Annual review of the Audit Committee's term of office and performance.
4. Annual assessment of the Independent Directors.
5. Annual assessment of the performance of Key Officers and the Executive Chairman.
6. The Succession Plan for the key operating subsidiaries of the Group.
7. Proposed appointment of additional director on the board of subsidiary.
8. Review of the remuneration of the executive directors and non-executive directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**(II) Board Composition (cont'd)**Annual assessment of the Board, Board Committees and Key Officers

The Company's Board has delegated the task of the preliminary annual evaluation of the effectiveness of the Board, the Board Committees and their respective members to the Nomination & Remuneration Committee.

For the financial year ended 30 April 2024, evaluation questionnaires seeking feedback on how each Board member views the performance of the Board as a whole and the respective Board Committees reporting to it as well as the Key Officers had been circulated to the Board on 4 March 2024. The questionnaires were derived from the Exhibits of the Corporate Governance Guide of Bursa Malaysia Berhad. The questionnaires provide a useful basis from which the key factors / criteria to determine effectiveness may be inferred. The Nomination & Remuneration Committee subsequently deliberated on the summary of the responses provided.

The Nomination & Remuneration Committee, after considering input provided by each Director, concluded, amongst others, that the skills and experience mix and composition of the Company's Board of Directors and all Board Committees reporting to it, are generally suitable for the Company, given its size, complexity and the industry it operates in.

The Nomination & Remuneration Committee further concluded that the Key Officers discharged their role competently and have the necessary character, experience, integrity and competence to continue to effectively discharge their respective roles.

The Board subsequently considered and endorsed the findings and conclusions of the Nomination & Remuneration Committee.

Tenure of an Independent Director

The Company's Board Charter states that the tenure of an Independent Director shall be up to the maximum period of nine (9) years. At any stage up to the completion of nine (9) years, an Independent Director may be re-designated to be a Non-Independent Director if the Nomination & Remuneration Committee so finds that the Director no longer qualifies to be an Independent Director. An Independent Director so re-designated, may continue to serve on the Board as a Non-Independent Director.

During the financial year under review, the Nomination & Remuneration Committee evaluated the independence of the Company's Independent Directors, where focus went beyond the Independent Director's background, economic, family and work relationships. Due considerations were also given as to whether an Independent Director can continue to bring independent and objective judgement to the Board.

There is no Independent Director serving the Board for a tenure approaching or past nine (9) years presently.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**(II) Board Composition (cont'd)***Board Diversity*

The Board recognises the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining good governance. A truly diversified Board will include and make good use of differences in the skills, regional origins, industry experience, background, gender, age, ethnicity and other qualities of Directors. With this in mind, the Board adopted a Corporate Diversity Policy on 29 November 2017 to serve as a guide for it, moving forward.

This Corporate Diversity Policy is appended as follows and published on the Company's website (www.marine-general.com.my) for reference:-

MARINE & GENERAL BERHAD'S CORPORATE DIVERSITY POLICY**1.0 BOARD DIVERSITY POLICY ("BDP")****1.1 Statement of the Policy**

- 1.1.1 The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining a competitive advantage.
- 1.1.2 A truly diversified Board will include and make good use of differences in the skills, regional origins, industry experience, background, gender, age, ethnicity and other qualities of Directors.
- 1.1.3 These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.
- 1.1.4 All Board appointments are made on merit, in the context of skills and experience ensuring that the Board as a whole, is effective.

1.2 Procedures

- 1.2.1 The Board's Nomination & Remuneration Committee ("the Committee") reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new Directors.
- 1.2.2 The Committee also oversees the conduct of the annual review of Board effectiveness:
 - a) In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and background on the Board.
 - b) In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**(II) Board Composition (cont'd)***Board Diversity (cont'd)***MARINE & GENERAL BERHAD'S CORPORATE DIVERSITY POLICY (CONT'D)****1.0 BOARD DIVERSITY POLICY ("BDP") (CONT'D)****1.2 Procedures (cont'd)**

- 1.2.3 As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and the diversity representation of the Board.

1.3 Measurable Objectives

- 1.3.1 The Committee will discuss and agree all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.
- 1.3.2 At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.
- 1.3.3 The Board recognises the recommendation of the Malaysian Code of Corporate Governance issued by the Securities Commission for maintaining at least 30% of the Board with women and will take appropriate measures to meet the target.
- 1.3.4 However, the selection of female candidates to join the Board will be, in part, dependent on the pool of female candidates with the necessary skills, knowledge and experience.
- 1.3.5 The ultimate decision to appoint female candidates will be based on merit and contribution that the chosen candidate will bring to the Board.

1.4 Monitoring and Reporting

- 1.4.1 The Committee will report annually, in the corporate governance section of the Company's Annual Report, on the process it has used in relation to Board appointments.
- 1.4.2 Such report will include a summary of the BDP, the measurable objectives set for implementing the BDP and progress made towards achieving those objectives.

1.5 Review of the BDP

- 1.5.1 The Committee will review the BDP from time to time, which will include an assessment of the effectiveness of the BDP.
- 1.5.2 The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(II) Board Composition (cont'd)

Board Diversity (cont'd)

MARINE & GENERAL BERHAD'S CORPORATE DIVERSITY POLICY (CONT'D)

2.0 EMPLOYEE DIVERSITY POLICY ("EDP")

2.1 Statement of the Policy

2.1.1 The Company is committed to actively managing diversity as a means of enhancing its performance by recognising and utilising the contribution of diverse skills and talent from its directors, officers and employees.

2.1.2 Diversity involves valuing and recognising the unique contribution people make because of their individual background and different skills, experiences and perspectives, including persons with co-existing domestic responsibilities. Diversity may result from a range of factors including gender, age, ethnicity, cultural background or other personal factors. The Company values the differences between the people and the contribution these differences make to the Company.

2.2 Procedures

2.2.1 The Board of Directors ("the Board") assisted by the Management, is responsible for developing strategies to meet the objectives of the Policy and monitoring the progress of achieving the objectives through the monitoring and evaluation mechanism.

2.2.2 While it is important to promote diversity in terms of gender, age and ethnicity, the Company would take into consideration the following diversity strategies but not limited to:

- a) recruiting from a diverse pool of candidates for all positions, including senior management;
- b) identifying specific factors to take into account of the recruitment and selection processes to encourage diversity; and
- c) any other strategies the Board develops from time to time.

2.2.3 The Company will not set any fixed targets around age, gender and ethnicity, but will actively work towards having the appropriate diversity based on the strategies outlined above.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**(II) Board Composition (cont'd)***Board Diversity (cont'd)***MARINE & GENERAL BERHAD'S CORPORATE DIVERSITY POLICY (CONT'D)****2.0 EMPLOYEE DIVERSITY POLICY ("EDP") (CONT'D)****2.3 Measurable Objectives**

2.3.1 The Company encourages diversity in employment, and in the composition of its Board, as a means of ensuring the Company has an appropriate mix of skills and talent to conduct its business and achieve the Company's goals. The Company will provide equal opportunities in respect to employment and employment conditions, including:

- a) **Hiring:** The Board will ensure appropriate selection criteria based on diverse skills, experience and perspectives are used when hiring new staff, including Board members. Job specifications, advertisements, application forms and contracts will not contain any direct or inferred discrimination. The Board is empowered to engage professional consultants to assist in the hiring process where it deems necessary.
- b) **Training:** All internal and external training opportunities will be based on merit and in light of the Company's and individual needs. The Board will consider senior management training and executive mentoring programs to develop skills and experience to prepare employees for senior management and Board positions.
- c) **Career Advancement:** All decisions associated with career advancement, including promotions, transfers, and other assignments, will meet the Company's needs and be determined on skill and merit.

2.4 Monitoring and Reporting

2.4.1 The Board, through the Nomination & Remuneration Committee, will monitor the scope and applicability of this policy, from time to time.

2.4.2 The Management is responsible for implementing, monitoring and reporting on the progress of achieving the objectives.

2.5 Review of the EDP

2.5.1 The Committee will review the EDP from time to time, which will include an assessment of the effectiveness of the Policy.

2.5.2 The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

The Policy has been approved by the Board of Directors on 29 November 2017.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**(II) Board Composition (cont'd)**Access to appropriate continuing education programmes

The Board recognises the significance of training which can help Directors to fulfil their role more effectively and make a difference to the performance of the Company, and has undertaken an assessment of training needs of the Board Members. During the financial year, the Directors attended various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations and the business environment. These have been summarised as follows:

| Name of Director | Topic / Organiser | Date |
|---|--|-------------------------|
| Tan Sri Mohammed Azlan bin Hashim | • Cybersecurity Oversight in the Boardroom. (Kwasa Land Sdn Bhd / Institute of Enterprise Risk Practitioners) | 22 June 2023 |
| | • International Social Wellbeing Conference 2023 - "Changing The Game: Building The World We Want" (Employees Provident Fund) | 5 – 6 July 2023 |
| | • Board Continuous Development Programme Series #8 (Investments Mandate & Operations in China) (Khazanah Nasional Berhad) | 31 July – 3 August 2023 |
| | • Board Continuous Development Programme Series #9 (Co-Creation Session on Strategic Asset Allocation) (Khazanah Nasional Berhad) | 22 August 2023 |
| | • Forbes Global CEO Conference - "Sea Change" (Forbes) | 11 – 12 September 2023 |
| | • Sustainability Training (IHH Healthcare Berhad / McKinsey) | 17 October 2023 |
| | • Board Continuous Development Programme Series #10 (Exploring Artificial Intelligence) (Khazanah Nasional Berhad) | 26 October 2023 |
| | • EPF Private Markets Summit (Employees Provident Fund) | 1 – 2 November 2023 |
| | • Mandatory Accreditation Programme Part II - Leading For Impact (LIP). Building high-impact boards for sustainable growth (Institute of Corporate Directors Malaysia) | 6 – 7 November 2023 |
| | • Updates on MMLR (May 2023) - Enhanced Conflict of Interest Measures (D&O Green Technologies Berhad) | 25 November 2023 |
| • KPMG Webinar - MFRS Updates 2023 (KPMG) | 7 December 2023 | |
| Haji Abdul Rahman bin Ali | • Mental Health Response Training (Swara Knowledge December Management Resources and Services) | 17 October 2023 |
| Tai Keat Chai | • SSM National Conference 2023 on shared responsibility in strengthening AML / CFT compliance: risks, challenges and collaborations (SSM) | 25 – 26 July 2023 |

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**(II) Board Composition (cont'd)***Access to appropriate continuing education programmes (cont'd)*

| Name of Director | Topic / Organiser | Date |
|---------------------------------|---|------------------------|
| Shariffuddin bin Khalid | • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (Institute of Corporate Directors (ICDM)) | 6 – 7 November 2023 |
| | • What Amounts to A Conflict of Interest by Directors? (Asia School of Business) | 1 December 2023 |
| | • IIC Corporate Governance Conference 2024 – Countdown to 2030: Investing towards Sustainable Development in Malaysia (The Institutional Investors Council of Malaysia) | 5 March 2024 |
| Datin Shelina binti Razaly Wahy | • McGill- NUS: Aviation and Space Finance Conference (NUS Singapore) | 9 June 2023 |
| | • Modernising Data Governance – What Should Boards Focus Now? (ICDM) | 12 June 2023 |
| | • Global Leaders Mergers & Acquisitions Forum (Global Leaders Forum) | 5 – 6 July 2023 |
| | • Case Study-Based Webinar: Sustainability and Climate Change Disclosure Requirements (Malaysia Institute of Accountants) | 17 July 2023 |
| | • PNB Knowledge Forum 2023 – Harnessing Innovation and Technology for Sustainable Business (Permodalan Nasional Berhad) | 27 July 2023 |
| | • Integrating ESG into Organisational Financial Reporting Framework (Malaysia Institute of Accountants) | 15 August 2023 |
| | • Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers (Bursa Malaysia) | 12 September 2023 |
| | • Corporate Jet Investor Asia (CJI Asia) | 19 – 20 September 2023 |
| | • MIA Webinar Series: Board of Director Leadership - Effective Climate Governance (Malaysia Institute of Accountants) | 30 October 2023 |
| | • EPF Private Markets Summit 2023 (Employees Provident Fund) | 1 – 2 November 2023 |
| | • Sustainability / ESG Discovery Training (Malaysia Institute of Accountants) | 14 November 2023 |
| | • PNB Knowledge Forum – Education Reimagined (Permodalan Nasional Berhad) | 15 November 2023 |
| | • Training on Sect. 17A of the MACC Act 2009 (Prolintas) | 23 November 2023 |
| | • AOB Conversations with Audit Committees: ESG (Securities Commission) | 27 November 2023 |
| | • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (Institute of Corporate Directors Malaysia) | 4 – 5 December 2023 |
| | • IAWA (International Aviation Women's Association) Asia Forum (IAWA) | 19 February 2024 |



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**(II) Board Composition (cont'd)***Access to appropriate continuing education programmes (cont'd)*

| Name of Director | Topic / Organiser | Date |
|-----------------------------------|--|-----------------------|
| Datin Shelina binti Razaly Wahi | • Understanding the Net in “Net-Zero”: Taxonomy, Options & Strategies in Carbon Removal (Business Council for Sustainable Development) | 13 March 2024 |
| | • Board Governance & Oversight: ESG Impact on Group’s Business (MAICSA) | 20 March 2024 |
| Kamarul Ariffin bin Mohd Jamil | • Capital Market Director Programme (SIDC) | 22 – 26 May 2023 |
| | • SC’s Audit Oversight Board Conversation with Audit Committees (Securities Commission) | 27 November 2023 |
| | • What Amounts to A Conflict of Interest by Directors? (Asia School of Business) | 1 December 2023 |
| Megat Joha bin Megat Abdul Rahman | • The Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP) (ICDM) | 29 – 30 November 2023 |
| Rozhan Anwar bin Abdul Halim | • Bursa Malaysia mandatory Accreditation Programme (MAP) (ICDM) | 5 – 6 July 2023 |
| | • Post Budget 2024 Dialogue; Economic Reforms, Empowering People (ICDM) | 10 November 2023 |
| | • Future Proofing Malaysian Businesses: Navigating Cyber Threats in the Age of AI & Thriving in High Risk Landscape (ICDM) | 11 March 2024 |
| | • Power Talk: Being Sued as an INED – A Personal Journey (ICDM) | 10 April 2024 |
| | | |

One (1) of the Directors namely, En Nik Abdul Malik bin Nik Mohd Amin was not able to attend any training programme during the financial year under review. This is due to scheduling conflicts and the inability to identify any training course that was of particular benefit to his role as a Director of M&G.

(III) Board Remuneration*Formal and transparent remuneration policies and procedures*

The Board adopted the Board Remuneration Policy on 29 November 2017. The Board Remuneration Policy was last reviewed on 19 December 2022 and adopted with effect from 1 January 2023. The latest Board Remuneration Policy is available for viewing on the Company’s website (www.marine-general.com.my).

The remuneration of the Executive Directors is structured on the basis of linking rewards to corporate and individual performance. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities. The Board as a whole recommends the fees for the Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The fees payable to the Directors are subject to the approval of shareholders. The breakdown of the remuneration for the Directors of the Company during the financial year is as follows:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(III) Board Remuneration (cont'd)

Formal and transparent remuneration policies and procedures (cont'd)

| No | Name | Directorate | Company ('000) | | | | | | Group ('000) | | | | | | | |
|----|-----------------------------------|--|----------------|-----------|---------|-------|------------------|------------------|--------------|------|-----------|---------|-------|------------------|------------------|---------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Tan Sri Mohammed Azlan bin Hashim | Executive Director | - | 72.0 | 1,114.0 | 317.8 | 164.5 | 142.3 | 1,810.6 | - | 72.0 | 1,114.0 | 317.8 | 164.5 | 142.3 | 1,810.6 |
| 2 | Tai Keat Chai | Non-Executive Non-Independent Director | 88.7 | 17.0 | - | - | - | - | 105.7 | 88.7 | 17.0 | - | - | - | - | 105.7 |
| 3 | Nik Abdul Malik bin Nik Mohd Amin | Non-Executive Non-Independent Director | 65.0 | 11.0 | - | - | - | - | 76.0 | 77.0 | 16.0 | - | - | - | 93.0 | |
| 4 | Shariffuddin bin Khalid | Independent Director | 75.7 | 12.0 | - | - | - | - | 87.7 | 75.7 | 12.0 | - | - | - | 87.7 | |
| 5 | Datin Shelina binti Razaly Wahi | Independent Director | 75.7 | 15.0 | - | - | - | - | 90.7 | 75.7 | 15.0 | - | - | - | 90.7 | |
| 6 | Haji Abdul Rahman bin Ali | Executive Director | - | - | - | - | - | - | - | - | 171.6 | 1,073.1 | 55.1 | 182.8 | 1,761.5 | |
| 7 | Kamarul Ariffin bin Mohd Jamil | Independent Director | 78.0 | 16.0 | - | - | - | - | 94.0 | 92.0 | 21.0 | - | - | - | 113.0 | |
| 8 | Megat Joha bin Megat Abdul Rahman | Independent Director | 78.0 | 15.0 | - | - | - | - | 93.0 | 78.0 | 15.0 | - | - | - | 93.0 | |
| 9 | Rozhan Anwar bin Abdul Halim | Independent Director | 78.0 | 18.0 | - | - | - | - | 96.0 | 85.0 | 20.0 | - | - | - | 105.0 | |

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

(I) Audit Committee

Effective and independent Audit Committee

The Company's Audit Committee was formed by the Board at its meeting on 16 August 2002. During the financial year ended 30 April 2024, the Audit Committee comprised the following:

1. Datin Shelina binti Razaly Wahi (Chairperson of the Audit Committee, Independent Non-Executive Director);
2. Tai Keat Chai (Non-Independent Non-Executive Director) – resigned on 30 June 2023;
3. Shariffuddin bin Khalid (Independent Non-Executive Director) – resigned on 30 June 2023;
4. Kamarul Ariffin bin Mohd Jamil (Independent Non-Executive Director);
5. Megat Joha bin Megat Abdul Rahman (Independent Non-Executive Director); and
6. Rozhan Anwar bin Abdul Halim (Independent Non-Executive Director).

The Company had convened a total of seven (7) Audit Committee Meetings during the financial year ended 30 April 2024. Among the matters deliberated during the year include:

1. The internal audit plan and internal audit reports by the Company's internal auditors.
2. The Company's quarterly financial results and audited financial statements.
3. The Company's audit plan and audit status by the Company's external auditors.
4. External auditors' independence assessment.
5. Audit Committee report for inclusion into annual report.
6. Related party transactions and recurrent related party transactions.
7. Review and evaluate conflict of interest situations based on the disclosure made by the board members.
8. Review the terms of reference of the Audit Committee.

Please refer to the Audit Committee Report for the summary of work on pages 45 to 50 of this Annual Report for further details.

The Company's Audit Committee is made up of members with a wide range of skills and experience.

The Chairperson of the Audit Committee, Datin Shelina binti Razaly Wahi, a legal practitioner, lends legal acumen to the Audit Committee. In terms of originating from a financial or accounting background, En Kamarul Ariffin bin Mohd Jamil is a former banker. En Megat Joha bin Megat Abdul Rahman and En Rozhan Anwar bin Abdul Halim both have trained or have held senior roles in accounting or finance related positions and responsible for the management of financial affairs. The diverse background of the four (4) members ensures that the Audit Committee is able to discuss issues presented to it from various perspectives.

Policies and procedures to assess the suitability and independence of external auditors

The Board maintains, via the Audit Committee, an active, transparent and professional relationship with its External Auditors. The role of the Audit Committee in relation to the External Auditors is disclosed in the Audit Committee Report set out on pages 47 to 48 of the Annual Report. The Company's current External Auditors, Messrs. BDO PLT, were formally appointed to the position with effect from 14 April 2023.

The Company adopted its External Auditor Independence Policy on 23 August 2018 and updated the same on 30 March 2022. The policy sets out the applicable requirements for selection and appointment, independent requirements, approvals for services to be rendered by the external auditor, monitoring and reporting requirements, independence statements by directors, external audit performance review, consequences breach, hiring personnel of the external auditors and performance measures & non-conformance criteria.

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT (CONT'D)**(I) Audit Committee (cont'd)***Policies and procedures to assess the suitability and independence of external auditors (cont'd)*

In addition, a written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements has been obtained by the Company.

(II) Risk management and internal control framework*Establishment of a risk management and internal control framework*

The Board acknowledges its overall responsibility for ensuring that a sound system of internal control is maintained throughout the Group and the need to review its effectiveness regularly. The Board recognizes that risks cannot be totally eliminated, and the system of internal controls instituted can only help to minimize and manage risks and provide some assurance that the assets of the Company and of the Group are safeguarded against material loss and unauthorized use, and that the financial statements are not materially misstated.

The Audit Committee is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Company's system of internal controls. The Statement on Risk Management and Internal Control set out on pages 51 to 55 of this Annual Report provides an overview of the Group's approach to risk management and internal control framework, and the adequacy and effectiveness of this framework.

Internal Audit function

The Company's internal audit function is outsourced to Messrs. Tricor Axcelasia Sdn Bhd. The internal audit staff on the engagement team are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The number of staff deployed for the internal audit reviews ranged from two (2) to five (5) staff per visit including the Engagement Partner. The staff involved in the internal audit reviews possess the necessary qualifications to discharge their function. Most of them are also members of the Institute of Internal Auditors Malaysia.

The Engagement Partner, Cik Noor Lilah Wati Abdul Majid, has diverse professional experience in internal audit. She is an Associate Member of the Institute of Internal Auditors Malaysia, and Certified Business Continuity from the Business Continuity Institute, United Kingdom.

The internal audit for the year under review was conducted using a risk-based approach and was guided by the International Professional Practice Framework (IPPF).

Risk Management Committee

The Board has also set up a Risk Management Committee, to assist the Board to oversee the Company's investment activities, approving appropriate investment appraisal procedures as well as identification of strategic investment opportunities of the Group.



PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT (CONT'D)

(II) Risk management and internal control framework (cont'd)

Risk Management Committee (cont'd)

During the financial year, the Risk Management Committee was comprised as follows:

1. Tai Keat Chai (Chairman of the Risk Management Committee, Non-Independent Non-Executive Director);
2. Datin Shelina binti Razaly Wahy (Independent Non-Executive Director) - resigned on 30 June 2023;
3. Nik Abdul Malik bin Nik Mohd Amin (Non-Independent Non-Executive Director);
4. Rozhan Anwar bin Abdul Halim (Independent Non-Executive Director); and
5. Mohd Nizam bin Abd Wahab (Management).

The Company had convened a total of four (4) Risk Management Committee Meetings during the financial year ended 30 April 2024. Among the matters deliberated during the year include:

1. Review of the cashflow position of subsidiaries.
2. Review of the financing arrangements of the subsidiaries.
3. Proposed disposal of vessels.
4. Proposed investment of new vessels.
5. Review of the terms of reference of the Risk Management Committee.

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

(I) Engagement with stakeholders

Transparent and regular communication with stakeholders

The Board values constant dialogue and is committed to having effective and transparent communication with its stakeholders. While it endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. As such, the Company's General Meetings represent the platform by which the Board maintains its communication with shareholders. During such meetings, shareholders in attendance freely interact with the Board as well as Management, using this opportunity to seek clarification or voice their opinions and concerns regarding the business of the Company.

The Company has also established a website, www.marine-general.com.my where investors and shareholders can access information relating to the Company, its businesses and periodic performance reports. The website is updated periodically to reflect key changes to the Company. In addition, a designated person is assigned with the email address and contact number to address any queries from the stakeholders and the public.

Regarding communication with staff, this is done via the quarterly Board meetings and various Committee meetings attended by both Board members and Management. On a less formal level, the Board will engage with the Management as and when the need arises throughout the year.

In addition to the above, the Company, via its Management, also conducts periodic meetings with its bankers / financiers to ensure they are apprised of important business developments at the Company.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)**(I) Engagement with stakeholders (cont'd)***Existence of appropriate corporate disclosure policies and procedures*

The Board acknowledges the importance of ensuring that it has in place appropriate corporate disclosure policies and procedures which leverage on information technology as recommended by the Code. The Company currently observes and complies with the disclosure requirements as set out in Bursa Securities' Main Market Listing Requirements, guided by Bursa Securities' Corporate Disclosure Guide. The Board has also approved and adopted a Corporate Disclosure Policy which outlines the Group's approach towards the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained, response to market rumours and restrictions on insider trading. This Policy also provides guidance and structure in disseminating corporate information to, and in dealing with, investors, analysts, media and the investing public. The Corporate Disclosure Policy is available for viewing on the Company's website (www.marine-general.com.my).

(II) Conduct of General Meetings*Issuance of Notice*

The Board is cognizant of the value of General Meetings as a means whereby the Board and Management of the Company can interact with shareholders. Given this, the Company has always issued notices for its General Meetings in compliance with the prevailing laws and regulations. It is the Board's intention to ensure that the Company continues to observe the prevailing regulations.

The Company had issued the notice of the 26th Annual General Meeting ahead of time in compliance with the prevailing laws and the best practice of the Code and is endeavouring to maintain this practice in sending the notice of the upcoming 27th Annual General Meeting.

Attendance by Directors

Based on record, eight (8) out of the nine (9) members of the Board attended the Company's 26th Annual General Meeting. All relevant members of senior management were also in attendance with the Chief Financial Officer ("CFO") providing a briefing on the financial performance of the Group for the financial year ended 30 April 2023. Shareholders were also invited to ask questions which were addressed by the Directors and management.

Use of technology to facilitate voting in absentia and remote participation

The Board values the participation of its shareholders at the Company's General Meetings. As such, it has been conducting its General Meetings in easily accessible locations within the Kuala Lumpur / Petaling Jaya area to ensure the majority of its shareholders are able to attend and participate in the meetings, should they choose to do so.

For the forthcoming 27th Annual General Meeting, the Company plans to conduct a physical meeting as the level of interaction achievable through physical meetings allows for more meaningful discussions.



COMPLIANCE STATEMENT

The Board recognizes and views that Corporate Governance is an on-going process and is of the view that the Company has substantially complied with the principles of the Code and will take appropriate steps towards embracing the Principles under the Code at a pace and time frame consistent with the size, priority and dynamics of the Group.

This statement is made in accordance with the approval of the Board on 23 August 2024. The accompanying Corporate Governance Report in relation to the Company's application of the Code may be viewed on the Company's website (www.marine-general.com.my).

TAN SRI MOHAMMED AZLAN BIN HASHIM

Executive Chairman

AUDIT COMMITTEE REPORT

FORMATION

The Audit Committee was formed by the Board of Directors at its meeting on 16 August 2002. The objective of the Audit Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Company and its subsidiaries (“the Group”).

COMPOSITION

The members of the Audit Committee during the financial year were as follows:

1. Datin Shelina binti Razaly Wahi – Chairperson
(Independent Non-Executive Director)
2. Kamarul Ariffin bin Mohd Jamil
(Independent Non-Executive Director)
3. Megat Joha bin Megat Abdul Rahman
(Independent Non-Executive Director)
4. Rozhan Anwar bin Abdul Halim
(Independent Non-Executive Director)
5. Tai Keat Chai *
(Non-Independent Non-Executive Director)
6. Shariffuddin bin Khalid *
(Independent Non-Executive Director)

* ceased as Member of the Audit Committee on 30 June 2023

The composition of the Audit Committee and the qualifications of its members complied with Paragraph 15.09 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”), whereby the Audit Committee consists of four (4) Independent Non-Executive Directors and that two (2) of the Audit Committee members fulfill the requirements under paragraph 15.09(1)(c)(iii) and paragraph 7.1 of the Practice Note 13 of MMLR.

Terms of reference of the Audit Committee are available for viewing on the Company’s website at www.marine-general.com.my.

MEETING AND ATTENDANCE

During the financial year ended 30 April 2024, the Audit Committee held seven (7) meetings and the attendance of the Audit Committee members was as follows:

| | Number of Meetings Attended |
|-----------------------------------|-----------------------------|
| Datin Shelina binti Razaly Wahi | 7/7 |
| Kamarul Ariffin bin Mohd Jamil | 7/7 |
| Megat Joha bin Megat Abdul Rahman | 6/7 |
| Rozhan Anwar bin Abdul Halim | 7/7 |
| Tai Keat Chai | 3/3 |
| Shariffuddin bin Khalid | 2/3 |

The Company Secretaries and the General Manager, Finance (“GMF”) attended all meetings. The Internal Auditors attended three (3) of the meetings while the External Auditors attended four (4) of the meetings.



SUMMARY OF ACTIVITIES

The meetings of the Audit Committee and their tentative agendas were scheduled in advance at the beginning of the new financial year to facilitate the Audit Committee to plan and fit the meetings into their schedules. The Audit Committee meets every quarter to review and deliberate on quarterly financial reports and annual financial statements, the enterprise risk management reports, the Group internal audit reports and other relevant matters within the Audit Committee's terms of reference.

Minutes of the Audit Committee meetings which include records of the deliberations, decisions and resolutions of the meetings are properly maintained by the Company Secretaries, who are also the Secretaries of the Audit Committee.

The GMF is invited to the Audit Committee meetings to facilitate the discussion as well as to provide explanation on audit issues, risk management, financial and other relevant matters within the terms of reference of the Audit Committee. The heads of the Upstream Division and the Downstream Division namely their respective Chief Executive Officer and Chief Operating Officer, together with the relevant financial management personnel are also invited to provide clarification on any relevant internal audit report tabled to the Audit Committee. The External Auditors are also invited to present their audit plan and audit results and other relevant matters.

SUMMARY OF WORK OF THE AUDIT COMMITTEE

During the financial year ended 30 April 2024, the Audit Committee undertook the following activities in discharging its functions and duties:

1. Financial reporting

At its quarterly meetings held on 15 June 2023, 22 September 2023, 12 December 2023 and 18 March 2024, the Audit Committee reviewed and discussed with the Management the quarterly and annual management accounts and financial reports to be released to Bursa Securities with particular attention to the processes and controls to ensure the preparation of accurate financial reports.

During the scheduled quarterly meetings, the GMF presented the quarterly financial reports and confirmed to the Audit Committee the following matters:

- i. the accounting policies and methods of computation adopted by the Group were consistent with those adopted in the previous audited financial statements except for the adoption of new or amended accounting standards that were effective for the financial year 2024;
- ii. that there were no significant and unusual issues other than those reported in the financial statements;
- iii. the Company and the Group continued to operate as going concerns; and
- iv. the accounting standards, regulatory and other legal requirements had been complied with in the preparation of the financial statements.

The Audit Committee scrutinised the quarterly results with Management to ensure appropriateness of the accounting treatment and accuracy of the reported financial figures. The Audit Committee also reviewed the analysis of the financial performance of the key operating subsidiaries and debtors aging, and the material variances or movements during the relevant quarters.

In addition, the Audit Committee reviewed the implementation status of the corrective actions arising from the audit recommendations to ensure that key risks and control lapses were addressed in timely manner, and that adequate resources were available in preparing the financial reports.

SUMMARY OF ACTIVITIES (CONT'D)**SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)****1. Financial reporting (cont'd)**

Having reviewed the quarterly financial results, the Audit Committee was satisfied that the unaudited quarterly financial results had been prepared in accordance with the MMLR and the relevant approved accounting standards to give a true and fair view of the financial position of the Group and its financial performance and cash flows for each quarter.

The Audit Committee's recommendations of the quarterly financial results were presented to the Board for approval at each subsequent Board meeting for release to Bursa Securities.

2. External audit

- a. On 19 June 2023, the Audit Committee reviewed the findings of the External Auditors' reports for the financial year ended 30 April 2023, particularly the issues raised on the property, vessel and equipment ("PVE") pertaining to vessel impairment assessment and the reasonableness of the estimated useful lives and the residual value of the PVE, recoverability of receivables and amount owing by subsidiaries, loans and borrowings, revenue recognition and inventories together with Management's response to their findings, including the key audit matters.

The audit issues raised by the External Auditors were noted, deliberated and actions were taken where necessary. The Audit Committee prioritized matters it considered important by virtue of their impact on the Group financial results particularly those which involved relatively higher level of complexity, judgment or estimation by Management.

- b. On 29 August 2023, the Audit Committee discussed with the External Auditors the final draft of the audited financial statements ("AFS") for the financial year ended 30 April 2023 ("FY 2023"). It was noted that there was no material deviation between the audited financial results for FY 2023 and the unaudited fourth quarter results for the period ended 30 April 2023.

The External Auditors were of the opinion that FY 2023 AFS provided a true and fair view of the financial position of the Company and the Group in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016.

On the recommendation of the Audit Committee, the Board subsequently approved the release of FY 2023 AFS to Bursa Securities.

- c. The Audit Committee had one (1) private session on 19 June 2023 with the representatives of BDO PLT without the presence of Management to discuss issues arising from the audit and any other matters the External Auditors might wish to raise. No major concerns were highlighted and the External Auditors had confirmed that they received full co-operation from the Management and staff during the audit and there was timeliness of information requested.



SUMMARY OF ACTIVITIES (CONT'D)

SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

2. External audit (cont'd)

- d. On 18 March 2024, the Audit Committee reviewed and discussed with the External Auditors and Management the Audit Planning Memorandum for the financial year ended 30 April 2024 ("FY 2024") which outlined the External Auditors' engagement and reporting responsibilities, audit approach, materiality and performance materiality, areas of significant auditor attention, engagement team and reporting and deliverables.

In addition, the Audit Committee reviewed the audit and non-audit fees for FY 2024. The details of the nature of non-audit services rendered by the External Auditors and / or its affiliates for FY 2024 are set out as follows:

| Fees paid / payable to the External Auditors or its Affiliates | Group | |
|--|-----------|-----------|
| | FY 2023 | FY 2024 |
| 1. Audit fees | | |
| a. Statutory audit | RM368,000 | RM368,000 |
| b. Assurance engagement (Review of the Statement on Risk Management and Internal Control) | RM8,000 | RM8,000 |
| 2. Non-audit fees | | |
| Tax compliance (preparation and submission of income tax returns) | RM45,000 | RM45,000 |

The Audit Committee having considered the nature, scope and amount of the non-audit fees, was satisfied that there was no conflict of interest and it would not impair the independence of the External Auditors. The non-audit fees did not exceed 50% of the total fees paid to the External Auditors. The Audit Committee subsequently recommended the audit and non-audit fees for the Board's approval.

- e. The Audit Committee had also undertaken an annual assessment on the performance, suitability and independence of the External Auditors for the financial year ended 30 April 2023 based on the following key areas:
- quality of service provided and sufficiency of resources,
 - quality of communication and interaction, and
 - independence, objectivity and professional skepticisms.

Based on the assessment, the Audit Committee and Management were satisfied with the External Auditors' independence, performance and their audit quality for FY 2023. Accordingly, the Audit Committee had subsequently recommended to the Board that the External Auditors be re-appointed for the ensuing financial year.

SUMMARY OF ACTIVITIES (CONT'D)**SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)****3. Internal audit and risk management**

The Group's internal audit function is outsourced to a professional firm that assists the Board and the Audit Committee in providing an independent assessment on the adequacy of and effectiveness of the Group's system of internal control.

The internal audit ("IA") and risk management ("RM") activities are planned on a calendar year basis. The IA plans for 2023 and 2024 were presented to the Audit Committee on 14 December 2022 and 12 December 2023 respectively. The IA plans were developed using risk-based audit approach and complied with the best practices of the International Standards for the Professional Practices of Internal Auditing ("SPPIA") issued by the Institute of Internal Auditors ("IIA").

The Audit Committee ensured that the IA Plan was adequate and that the audit scope selected were relevant.

Key areas of the audit covered during the financial year under review were as follows:

- Anti-Bribery and Corruption ("ABAC") Policy management focusing on the compliance and integrity risks. Among the areas covered include:
 - corruption risk assessment / re-assessment and monitoring of action plan,
 - training / refresher, including onboarding program,
 - compliance to donation, sponsorship and entertainment policies,
 - due diligence process on supplier, new joiner / customer,
 - monitoring of ABAC Policy framework compliance, and
 - monitoring of whistle-blowing channel.
- Recurrent related party transactions ("RRPT") focusing on the adequacy and effectiveness of existing review procedures and Management monitoring procedures of actual transactions as compared to the approved shareholders mandate to ensure compliance of RRPT Procedures with Bursa Securities' MMLR.
- Designated Person Ashore focusing on compliance to rules and regulations, and adequacy of accident monitoring.
- Marine Personnel Department focusing on crew management and crew competency gap.

At the quarterly Audit Committee meetings, the Audit Committee reviewed the internal audit reports and ensured that appropriate agreed corrective actions are taken by the Management to address the gaps in controls and procedures as identified by the Internal Auditors. Further, the Audit Committee reviewed the status of the corrective actions taken by Management to ensure appropriate remedial actions were taken on a timely basis to address all areas of risks and internal control issues.



SUMMARY OF ACTIVITIES (CONT'D)

SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

4. Other activities

Besides the above activities, during the financial year the Audit Committee has:

- reviewed the findings from the corruption risk assessment, which were subsequently used to enhance the ABAC Policy controls to address identified risks. The corruption risk profile and risk registers are reviewed at least annually or whenever there are significant changes in business objectives or regulatory requirements.
- reviewed the amendments to the Related Party Transaction Manual on potential conflict of interest within the Group before recommending them to the Board for approval.
- reviewed the Statement on Risk Management and Internal Control and the Audit Committee Report in respect of the financial year ended 30 April 2023 prior to submission to the Board of Directors for consideration and approval.
- reviewed and deliberated on the proposed new and renewal of Shareholders' Mandate in respect of RRPTs of a revenue or trading nature for the Board's consideration. The Audit Committee also reviewed the RRPTs quarterly to ascertain that the guidelines and procedures established to monitor the RRPTs have been complied with and to ensure that they are within the obtained mandate.

On 11 August 2023, the Audit Committee reviewed and recommended to the Board for approval to issue Circular to Shareholders in respect of the proposed new and renewal of shareholders' mandate for RRPTs ("RRPT Mandate") as well as the statements made by the Audit Committee in respect of the RRPT Mandate.

- discussed the progress of e-invoicing requirements and Group's state of readiness to implement the system.
- reviewed and approved the revisions to the Terms of Reference ("TOR") of Audit Committee to further enhance the Audit Committee's roles in terms of conflict of interest and potential conflict of interest situations that arose, persist or may arise together with the measures to resolve, eliminate or mitigate such conflicts.
- reviewed the Enterprise Risk Management ("ERM") Reports which covered the ERM reporting status, risk profile and risk mitigation plans to ensure the key risks that arise with the developments in the operating environment are effectively managed.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Company outsources its internal audit functions to Messrs. Tricor Axcelasia Sdn Bhd. The Internal Auditors performed the internal audits independently to ensure that there was effective risk monitoring, internal controls, governance process and compliance procedures to provide the level of assurance required by the Board. The internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The number of staff deployed for the internal audit reviews ranged from two (2) to five (5) staff per visit including the Engagement Partner. The staff involved in the internal audit reviews possess professional qualifications and / or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia. The Engagement Partner is Cik Noor Lilah Wati Abdul Majid who has diverse professional experience in internal audit. She is an Associate Member of the Institute of Internal Auditors Malaysia, and Certified Business Continuity from Business Continuity Institute, United Kingdom.

The professional fees, service tax and other incidental expenses incurred for the internal audit function in respect of the financial year ended 30 April 2024 amounted to RM138,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance 2021 stipulates that the Board of Directors (“the Board”) of listed companies shall maintain a sound system of internal control to safeguard shareholders’ investment and the Group’s assets. Set out below is the Group’s Statement on Risk Management and Internal Control (“Statement”), made in compliance with Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

THE BOARD’S RESPONSIBILITY

The Board places importance on and is committed to maintaining effective risk management practices and a sound system of internal control within the Group to ensure good corporate governance. The Board affirms its responsibility for reviewing the adequacy and integrity of the Group’s internal control and management information systems, including systems for compliance with applicable laws, rules, directives, guidelines and risk management practices.

The Board, particularly at the operating subsidiary level, sets the budgets for the coming year as well as clear, predefined Financial Authority Limits to ensure major decisions, specifically with respect to investments or capital expenditures, are only undertaken after careful consideration by the Board and its various Board Committees, where appropriate. In addition to this, the Board also undertakes scrutiny of key decisions through its Risk Management Committee. The Risk Management Committee is tasked with thoroughly reviewing major investments being proposed and / or major commitments being considered, refining them when necessary before making final recommendations to the Board.

Notwithstanding this, as with any internal control system, the Group’s system of internal control is designed to manage rather than to eliminate the risk of failure to achieve business objectives. It follows, therefore, that the system of internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has in place an on-going process of identifying, evaluating, monitoring and managing the key risks affecting the achievement of its business objectives throughout the year.

ASSURANCE MECHANISM

The Audit Committee is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Group’s system of internal control. In carrying out its responsibilities, the Group has appointed Messrs. Tricor Axcelasia Sdn Bhd (“Tricor Axcelasia”) to carry out internal audits based on a risk-based audit plan approved by the Audit Committee. Based on these audits, the Audit Committee is provided by Tricor Axcelasia with reports highlighting observations, recommendations and management action plans to improve the system of internal control.

In addition to internal audit, the Group receives extensive and detailed briefings and management letters from its External Auditors that primarily focus on internal controls related to the preparation of the financial statements which are presented to the Audit Committee for deliberation. Subsequently, appropriate recommendations and targets are put in place for Management to rectify any weaknesses or non-compliances.

The Audit Committee Report is set out on pages 45 to 50 of the Annual Report.



THE GROUP'S SYSTEM OF INTERNAL CONTROL

Monitoring mechanisms and management style

Scheduled quarterly meetings of the Board, Board Committees and Management at the operating subsidiary level, represent the main platform by which the Group's performance and conduct are monitored.

Major business proposals and forecasts for the coming year are generally recommended by the respective Divisional Management and evaluated and refined by the Risk Management Committee before being presented for consideration by the Board.

The daily running of the business is entrusted to the Chief Executive Officer ("CEO") of Jasa Merin (Malaysia) Sdn Bhd ("JMM") for the Marine Logistics – Upstream Division, and the Chief Operating Officer ("COO") of the Marine Logistics – Downstream Division ("Downstream Division") and their management teams. The CEO of JMM reports directly to the Executive Vice-Chairman of JMM while in the case of the Downstream Division, the COO reports to the Board of the Downstream Division holding company - M&G Marine Logistics Holdings Sdn Bhd. The CEO and the COO carry out their duties under pre-defined Financial Authority Limits set by the respective Boards.

Under the purview of the CEO and the COO, the heads of department are empowered with the responsibility of managing their respective areas of operations. The CEO and the COO communicate the Board's expectations to Management at Management meetings as well as through attendance at various operations meetings. At these meetings, operational and financial risks are discussed and dealt with.

The Board is responsible for setting the business direction and overseeing the conduct of the Group's operations through various management reporting mechanisms. Through these mechanisms, the Board is informed of all major control issues pertaining to internal controls, regulatory compliance and risk-taking.

Enterprise risk management framework

In dealing with its stewardship responsibilities, the Board recognises that effective risk management is part of good business management practice. The Board acknowledges that all areas of the Group's activities involve some degree of risk, and is committed to ensuring that the Group has an effective risk management framework which will allow the Group to be able to identify, evaluate and manage risks that affect the achievement of the Group's business objectives within defined risk parameters in a timely and effective manner.

The risk management framework has been embedded in the Company's management systems. The Management assists the Board in implementing the process of identifying, evaluating and managing significant risks applicable to their respective areas of business, and in formulating suitable internal controls to mitigate and control these risks.

The key elements of the Enterprise Risk Management ("ERM") activities include:

- Establishing the ERM framework
- Risk assessment process
- Risk action implementation process
- Risk action monitoring process
- Continuous ERM monitoring and communication

THE GROUP'S SYSTEM OF INTERNAL CONTROL (CONT'D)**Enterprise risk management framework (cont'd)**

The Group has completed a comprehensive risk assessment process whereby significant risks are summarised into a risk map and presented to the Audit Committee for its consideration. Risk registers have been developed for each of the risks identified. Having identified those risks that can significantly affect the business and operations, dedicated risk owners were appointed (from the Management team) to work on the development of key risk action plans required (as well as the implementation of such action plans) together with a group of risk co-owners across the departments. New developments in business and operations are subject to the risk assessment process as the risk profile of the business changes.

The risk management framework is based on the internationally recognised ISO31000 risk management standard. The Audit Committee and the Board review the internal control and risk management framework annually. No significant changes were made to the internal control and risk management framework arising from the review.

During the financial year under review, the Audit Committee and the Board assessed the key risks for the operating subsidiaries of both Upstream and Downstream Divisions. Various initiatives and proposals were adopted in the financial year for the improvement of the internal controls and risk management of the Group.

Key elements of the Group's System of Internal Control

The current system of internal control in the Group has within it, the following key elements:

- Group vision, mission and corporate philosophy and strategic direction, which are communicated to employees.
- A Board that retains control over the Group with appropriate management reporting mechanisms that enable the Board to review the Group's progress.
- The Board approved annual budgets and management plans.
- Review of proposals for acquisition / disposal undertaken by the Group.
- Management meetings involving discussions on operational issues at the subsidiary level.
- Comprehensive and clearly documented standard operating policies and procedures manuals that provide guidelines and authority limits over various operating, financial and human resource matters, which are subject to review for improvement as and when required.
- The use of the intranet as an effective means of communication and knowledge sharing.
- Communication of policies and guidelines in relation to human resource matters to all employees through a staff handbook which is also available on the intranet.
- A systematic performance appraisal system for all levels of staff.
- Relevant training is provided to personnel across all functions to maintain a high level of competency and capability.

Internal policies to promote governance

Management has put in place clear Financial Authority Limits, which set pre-defined limits on the authority levels for each member of Management up to the Executive Chairman / Vice-Chairman. The Financial Authority Limits were reviewed and adopted on 30 June 2023, where a new section on the provision of gifts, entertainment and hospitality and charitable contributions, donations and sponsorships were added to the Financial Authority Limits. The Group also adheres to several other sets of policies to ensure the governance structure remains robust, such as the Whistle-Blowing Policy, Anti-Bribery and Corruption Policy, Employee Code of Conduct and Related Party Transaction Manual.



THE GROUP'S SYSTEM OF INTERNAL CONTROL (CONT'D)

Internal policies to promote governance (cont'd)

The Group is committed to high standards of honesty, openness, and accountability. An important aspect of accountability and transparency is a mechanism to enable staff and other members of the Group to voice concerns in a responsible and effective manner. It is a fundamental term of every contract of employment that an employee will faithfully serve his or her employer and not disclose confidential information about the employer's affairs. Nevertheless, where an individual discovers information which he / she believes shows serious malpractice or wrongdoing within the organisation then this information should be disclosed internally without fear of reprisal.

As such, the Group has in place a Whistle-Blowing Policy ("Policy") which provides a safe and acceptable platform for employees to channel concerns about illegal, unethical or improper business conduct affecting the Group and about business improvement opportunities, so as to ensure that no member of staff should feel at a disadvantage in raising legitimate concerns.

The Policy allows the Management to take appropriate preventive and corrective actions without the negative effects that come with public disclosure, such as loss of image or reputation, financial distress, loss of investor confidence or a drop in value of the share price. Through this Policy, employees are encouraged to disclose concerns about illegal, unethical or improper business conduct which otherwise may not be easily detected through normal processes or transactions.

The Group is committed to conduct business dealings with the highest level of integrity and ethics and to comply fully with applicable laws and regulatory requirements on anti-corruption. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts by the adoption of the Anti-Bribery and Corruption Policy, which sets out the policies to prevent acts of bribery and corruption.

Lastly, a manual for treatment and reporting of related party transactions namely, Related Party Transaction Manual ("RPT Manual") was adopted with effect from 1 May 2021 to guide management actions when dealing with related parties. The RPT Manual, specifically the forms relating to the Annual Conflict of Interest Declaration was last reviewed in 2023 to incorporate disclosures relating to potential conflict of interest.

The abovementioned policies are published on the Company's website at www.marine-general.com.my.

THE BOARD'S COMMITMENT

The Board recognises that the Group operates in a dynamic business environment in which the internal control system must be responsive in order to be able to support its business objectives. To this end, the Board remains committed to maintaining a sound system of internal control and believes that a balanced achievement of its business objectives and operational efficiency can be attained.

ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Executive Chairman and the General Manager, Finance of the Company have provided the Board with an assurance that the Group risk management and internal control systems are operating adequately and effectively, in all material aspects, to ensure achievement of corporate objectives.

Taking into consideration the assurance from the management team, the Board is of the view that the system of risk management and internal controls in place for the year under review is sound and is adequate to safeguard the Group's assets.

REVIEW OF THE STATEMENT BY INDEPENDENT AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control 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 financial year ended 30 April 2024, and reported to the Board that nothing has come to their attention that would cause them to believe that the Statement intended to be included in the annual report of the Group, in all material respects:

- a. has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b. is 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 Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This statement is made in accordance with the approval of the Board dated 23 August 2024.



SUSTAINABILITY STATEMENT

1. COMMITMENT TO SUSTAINABILITY

Marine & General Berhad (“M&G” or the “Company”) and its subsidiaries (collectively “the Group”) acknowledge that its business activities have consequences for the economy, environment and society. As such, M&G is committed to addressing these impacts by incorporating sustainability into its business practices. M&G strives to position itself as one of the leading providers of offshore support vessels (“OSV”) and tankers services in Malaysia.

This Sustainability Statement (“the Statement”) highlights the Group’s commitment to reporting its sustainability efforts across all aspects of business operations. M&G strives to conduct business in a way that benefits all its stakeholders, while also operating sustainably and creating a positive impact on society, the economy, and the environment.

Reporting Framework

The Statement has been prepared in accordance with the regulatory standards and guidance set out below:



Practice Note 9 of the Main Market Listing Requirements

Sustainability Reporting Guide, 3rd Edition (“SRG”), September 2022



Malaysian Code on Corporate Governance (“MCCG”), updated April 2021

Reporting Scope and Boundary

This statement encompasses the sustainability activities and performance of M&G for the financial year from 1 May 2023 to 30 April 2024, with primary focus on M&G’s main operating subsidiary companies, as outlined below:



2. SUSTAINABILITY GOVERNANCE

Sustainability at M&G is governed by a three-tier framework that covers all levels of governance, ensuring that relevant sustainability issues are given proper consideration. The Group acknowledges the importance of having a strong governance structure to oversee Group's sustainability strategies and ensure successful implementation of sustainability practices in the organisation. At present the governance for sustainability matters is overseen by the M&G Board of Directors, the Boards of the affected subsidiaries, Senior Management and Management of the Company.

The responsibilities and composition of each tier within the governance framework are detailed as follows:

| |
|--|
| M&G BOARD OF DIRECTORS |
| <ul style="list-style-type: none"> • Consists of two (2) Non-Independent Executive Directors, two (2) Non-Independent Non-Executive Directors and five (5) Independent Non-Executive Directors. • Oversee the Group's sustainability related matters including adoption of relevant governance policies. • Delegate the responsibility to the respective Boards and Senior Management at subsidiary-level to ensure implementation of sustainability matters. |
| BOARDS AT SUBSIDIARY-LEVEL & SENIOR MANAGEMENT |
| <ul style="list-style-type: none"> • Comprises of Boards and Senior Management at each operating subsidiary. • Oversee and manage sustainability matters across the business including those pertaining to health and safety. • Provide and report updates on sustainability matters to the M&G Board on quarterly basis. • Monitor communication and awareness efforts relating to sustainability. |
| MANAGEMENT |
| <ul style="list-style-type: none"> • Represented by various department heads. • Execute and implement strategies on the day-to-day basis and report all sustainable activities to Senior Management. • Analyse data available to assess the Group's sustainability progress. |

Governance and Oversight Policies and Procedures

M&G established a set of guidelines and protocols to ensure effective management, supervision and accountability across its operation and decision-making processes. The policies and guidelines listed below demonstrate how M&G integrates its business operations with the management of economic, environmental and social issues.

- | | |
|---|--|
| <ul style="list-style-type: none"> • Corporate Diversity Policy • Whistle-Blowing Policy • Anti-Bribery & Corruption ("ABAC") Policy | <ul style="list-style-type: none"> • Employee Code of Conduct • Personal Data Protection Policy • Health, Safety & Environmental Policy |
|---|--|








2. SUSTAINABILITY GOVERNANCE (CONT'D)

Stakeholder Engagement

M&G interacts with its stakeholders in a transparent and meaningful way to drive sustainable business operation. Effective engaging with stakeholders helps the Company gain a deeper understanding of their needs, concerns and expectations, leading to more informed decision-making.

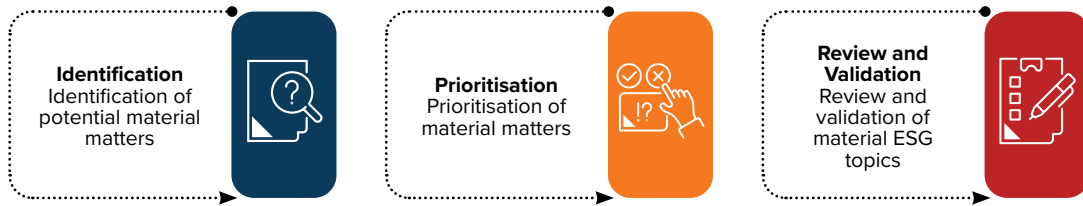
The Company regularly updates its stakeholders on the progress of the respective regions to help them understand the Group's business operations and solicit their feedback on matters that are pertinent to them. The table below outlines in detail on the Group's stakeholders, key focus area, engagement approach and frequency of engagement with the stakeholders.

| NO. | STAKEHOLDERS | DESCRIPTION | KEY FOCUS AREA | ENGAGEMENT APPROACH |
|-----|---|--|--|---|
| 1. | Shareholders / Investors  | Shareholders and investors contribute financial resources that enable the Group to operate and expand its business activities. | <ul style="list-style-type: none"> Financial and operational performance Corporate governance | <ul style="list-style-type: none"> Annual General Meeting Annual Report Bursa Securities announcements Corporate website |
| 2. | Customers  | Our customers comprise of oil majors, oil / chemical traders and palm oil traders. | <ul style="list-style-type: none"> Service quality and pricing Customer service Environmental, security and safety concerns | <ul style="list-style-type: none"> Daily through various channels such as emails Corporate events |
| 3. | Industry Associations and Non-Governmental Organisations (NGOs)  | Industry associations & NGOs, such as the Malaysia Offshore Support Vessels Owners' Association and Malaysian Shipowners' Association. | <ul style="list-style-type: none"> Environmental concerns Seafarers' welfare | <ul style="list-style-type: none"> Periodic association meetings Continuous contribution of ideas and feedback on industry issues Involvement in associations activities |
| 4. | Employees  | Employees throughout M&G Group. | <ul style="list-style-type: none"> Health and safety of employees Employee well-being and workplace culture | <ul style="list-style-type: none"> Company events and functions Departmental meetings Internal emails |
| 5. | Suppliers / Contractors  | Collaboration with suppliers and contractors. | <ul style="list-style-type: none"> Anti-bribery Prompt payment practices Supplier / Contractors performance | <ul style="list-style-type: none"> Suppliers audit and review Periodic meetings Emails and phone calls communication Suppliers' briefing |

3. MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

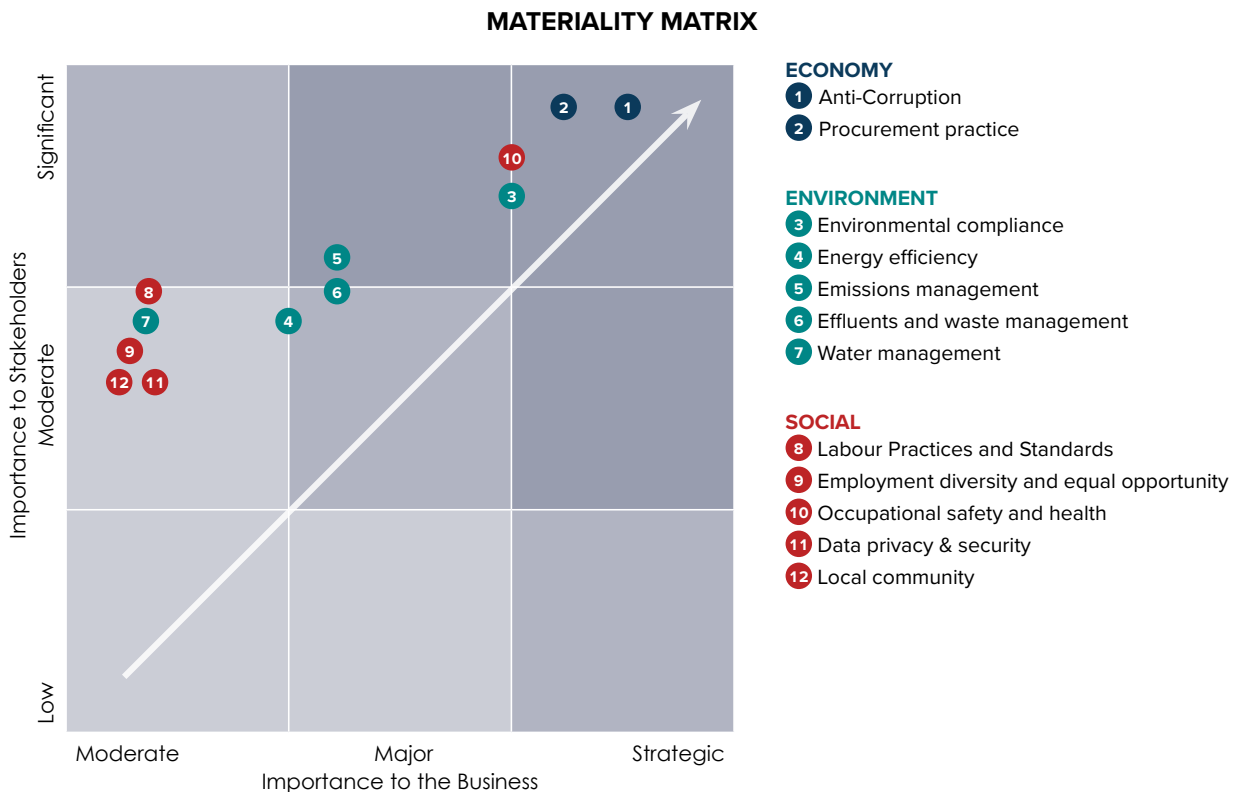
The Group conducted a materiality assessment to identify and categorise its sustainability concerns into Economy, Environment and Social (“EES”) categories. This assessment considered both internal and external factors, including the impact and relevance of these sustainability issues to the business and stakeholders.

The diagram below summarises the key activities undertaken prior to identification and evaluating the relevancy of the material matters to the business and stakeholders.

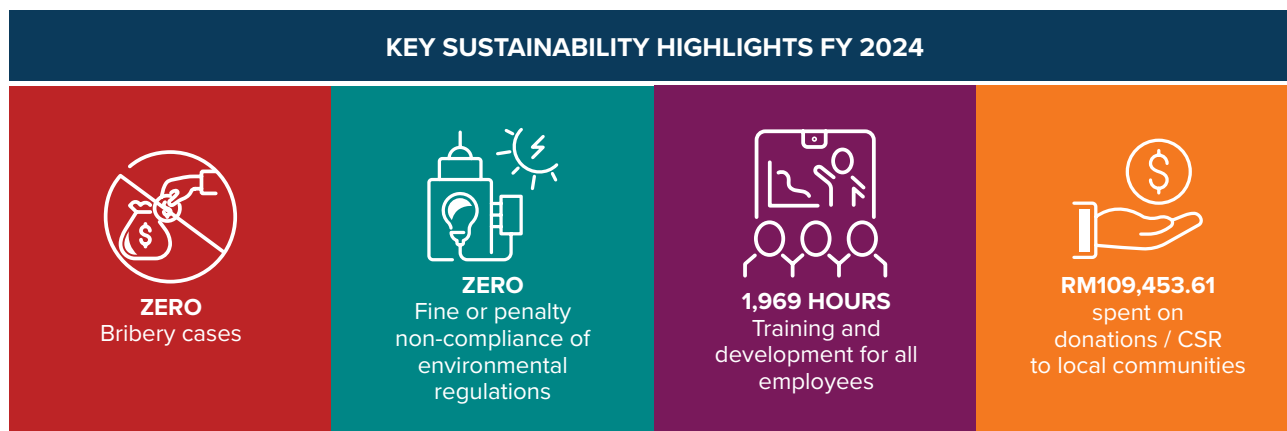


During FY 2024, the Senior Management reviewed the key material matters and the Board of Directors (“Board”) determined to maintain these material matters.

This matrix highlights the importance of each aspect with consideration to both its relevance to the Group and its perceived significance to stakeholders. The following diagram represents the twelve (12) sustainability matters:



3. MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (CONT'D)



Risks and Opportunities

M&G acknowledges the significance of evaluating and addressing risks and opportunities to promote positive impact and sustainable results. The following section provides a summary of the potential risks and opportunities that are related to the Group’s sustainability practices, along with strategies adopted to mitigate risks and leverage opportunities.

| MATERIAL TOPICS | RISKS | OPPORTUNITIES |
|--|---|--|
| Anti-Corruption | <ul style="list-style-type: none"> Integrity risk Financial risk Operational risk | <ul style="list-style-type: none"> Enhancing reputation and customer loyalty by demonstrating a strong commitment to ethical practices |
| Procurement Practice | <ul style="list-style-type: none"> Non-performing vendor Price volatility | <ul style="list-style-type: none"> Lead to cost reduction and increased efficiency |
| Environmental Compliance | <ul style="list-style-type: none"> Pollution / Environmental risk Fines and penalties | <ul style="list-style-type: none"> Able to meet regulatory and legal requirements, avoiding penalties while increasing company reputation |
| Energy Efficiency | <ul style="list-style-type: none"> Pollution / Environmental risk Fines and penalties | <ul style="list-style-type: none"> Reduce environmental impact whilst decreasing overall energy costs |
| Emissions Management | <ul style="list-style-type: none"> Pollution / Environmental risk Fines and penalties | <ul style="list-style-type: none"> Reduce environmental impact whilst decreasing overall costs related to emissions |
| Effluents And Waste Management | <ul style="list-style-type: none"> Non-compliance with regulatory requirements Cargo contamination Fines and penalties | <ul style="list-style-type: none"> Reduce environmental stress by controlling overall waste produced |
| Water Management | <ul style="list-style-type: none"> Water pollution Fines and penalties | <ul style="list-style-type: none"> Water conservation and efficiency lead to cost savings |
| Labour Practices and Standards | <ul style="list-style-type: none"> Competency gap Labour violations | <ul style="list-style-type: none"> Improved performance and productivity Good labour practices |
| Diversity and Equal Opportunity | <ul style="list-style-type: none"> Competency gap | <ul style="list-style-type: none"> Increase employees’ satisfaction and retention Able to provide new perspectives and ideas |

3. MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (CONT'D)

Risks and Opportunities (cont'd)

| MATERIAL TOPICS | RISKS | OPPORTUNITIES |
|---------------------------------------|---|---|
| Occupational Safety and Health | <ul style="list-style-type: none"> • Safety and health hazards • Reputational damage | <ul style="list-style-type: none"> • Enhance overall well-being of employees by mitigating future accidents and fostering a safe work environment |
| Data Privacy & Security | <ul style="list-style-type: none"> • Cybersecurity risk | <ul style="list-style-type: none"> • Enhance customer's trust by safeguarding data and ensuring privacy |
| Local Community | <ul style="list-style-type: none"> • Social disruption, social tensions and conflicts or disagreement within communities especially when there is difference in values, interests, or perspectives | <ul style="list-style-type: none"> • Create positive impacts, support community development, and foster harmonious relationships with the communities. |

4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”)

M&G recognises the importance of incorporating indicators into our reporting. Currently, we are developing appropriate KPIs to effectively track and evaluate the Group's performance on EES initiatives. These will be disclosed and reported in due course.

(a) Economic

M&G is committed to maintain sustainable business practices by offering innovative and high-quality business solutions, coupled with professional integrity and enthusiasm. The Company strives to adopt transparent and ethical practices to achieve its business goal to become the preferred supplier of OSVs and tanker services.

Anti-Corruption

ABAC Policy

M&G Group maintains a zero-tolerance stance against bribery and corruption in all business practices, outlined in our ABAC Policy. Directors and employees, including subsidiaries, are forbidden from giving or receiving bribes or inappropriate gifts to government officials or commercial entities. The Policy guides our activities and provides direction to the Board of Directors and employees, ensuring adherence to these principles below:

| M&G ABAC Policy | |
|---|---|
| <p>Gifts, Entertainment and Hospitality: No gift policy with strict exceptions governed by ABAC Policy.</p> <p>Dealings with Public Officials: M&G Group and their family members must refrain from receiving lavish gifts of significant value from external parties.</p> <p>Facilitation Payments: Facilitation payments to secure a business advantage is prohibited.</p> | <p>Reporting Lines: Whistle-blowers have a dedicated reporting facility by reporting directly to the Audit Committee.</p> <p>The Whistle-Blowing Policy protects the rights of individuals who report issues from any form of harassment or threats.</p> <p>Charitable contributions and sponsorships: Proper approval is mandatory for all charitable contributions and sponsorships, and these transactions must be accurately documented.</p> <p>Training and Communications: The Group's directors and employees receive training and awareness of the content of the ABAC Policy.</p> |



4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(a) Economic (cont'd)

Anti-Corruption (cont'd)

ABAC Policy (cont'd)

In adherence to the Group’s ABAC Policy, it is mandatory for permanent employees to annually acknowledge and affirm their commitment to comply with the relevant policies. These sessions were conducted for both JML and JMM and were 100% attended by employees of both companies.

The table below shows the number of employees that have attended the annual ABAC training by category in FY 2023 and FY 2024:

| Company | FY 2023 | | FY 2024 | |
|---------------|------------|---------|------------|---------|
| | JML (%) | JMM (%) | JML (%) | JMM (%) |
| Management | 18 | 6 | 17 | 10 |
| Executive | 23 | 13 | 22 | 14 |
| Non-Executive | 32 | 8 | 32 | 5 |
| Total | 100 | | 100 | |

The ABAC Policy is available on our corporate website at <https://www.marine-general.com.my/CI/corporateP.php>.

Whistle-Blowing Policy

The M&G Whistle-Blowing Policy offers a channel for reporting any concerns or suspicions of misconduct or unlawful behaviour within the Group. This policy seeks to enhance corporate governance by fostering an environment where integrity and ethical behaviour is maintained and any improper conduct may be exposed and investigated. This policy involves any complaints regarding to suspected unethical conduct, fraud, corruption and misuse of the Group’s resources.

Concerns may be reported to the Audit Committee as follows:

- a. in writing, via letter marked Private and Confidential, addressed to the Audit Committee and delivered either by hand or by post to the Registered Office of the Company at Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan; or
- b. in writing, via email to whistleblower@marine-general.com.my.

The Whistle-Blowing Policy is available on our corporate website at <https://www.marine-general.com.my/CI/corporateP.php>.

In FY 2024, there were no incidents of corruption and whistle-blowing reported within the Group. All the operations in JMM and JML were assessed for corruption-related risks.

| ESG AREAS | FY 2023 | FY 2024 |
|------------------------|--|--|
| Anti-Corruption | <ul style="list-style-type: none"> • Zero case on bribery & corruption • One (1) awareness session conducted | <ul style="list-style-type: none"> • Zero case on bribery & corruption • One (1) awareness session conducted |
| Whistle-blowing | <ul style="list-style-type: none"> • Zero case on whistle-blowing | <ul style="list-style-type: none"> • Zero case on whistle-blowing |

4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(a) Economic (cont'd)

Anti-Corruption (cont'd)

Whistle-Blowing Policy (cont'd)

The table below outlines the percentage of companies' operations that were assessed for corruption-related risks.

| Companies' Operations | FY 2023 (%) | FY 2024 (%) |
|-----------------------|-------------|-------------|
| JML | 100 | 100 |
| JMM | 100 | 100 |

Procurement Practice

The Group upholds fair and transparent procurement practices through its Procurement Policy. In FY 2024, local suppliers increased to 85% from 84% in FY 2023, while international suppliers accounted for the remaining 15%. This reflects the Group's commitment to improving procurement practices, while supporting the local economy.

The Group's suppliers in FY 2023 and FY 2024 are summarised in the table below:

| Supplier | FY 2023 (%) | FY 2024 (%) |
|---------------|-------------|-------------|
| Local | 84 | 85 |
| International | 16 | 15 |
| Total | 100 | 100 |

(b) Environment

Environmental Compliance

As part of the Group's commitment to sustainability, we recognised the importance of complying with relevant environmental regulations such as the International Convention for the Prevention of Pollution from Ships (“MARPOL”).

No fines or penalties for non-compliance with environmental regulations were imposed on the Group in FY 2024 (FY 2023: 0).

| Penalties / Fines | FY 2023 | FY 2024 |
|-------------------|---------|---------|
| JML | 0 | 0 |
| JMM | 0 | 0 |



4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(b) Environment (cont'd)

Energy Efficiency

As part of the Group’s commitment to reducing its environmental impact, the Group actively seeks to improve its energy efficiency and where possible, reduce energy consumption across its operations.

In so far as electricity consumption is concerned, the Group organised its Energy Saving Awareness Day on 23 October 2023 to encourage and motivate individuals to adopt energy-saving behaviours and practices. The Group also implemented energy-saving strategies such as replacing traditional lighting with energy-efficient light-emitting diode (“LED”) bulbs, turning off air conditioning and lights during lunch breaks to reduce energy consumption. As a result, the Group’s total consumption of electricity declined by 1,991 kWh in FY 2024. The consumption for the past two (2) financial years can be summarised as follows:

| Name of subsidiary | Electricity Consumption (Office) | | | |
|--------------------------------------|----------------------------------|----------------|------------------|----------------|
| | FY 2023 (kWh) | FY 2023 (%) | FY 2024 (kWh) | FY 2024 (%) |
| JML | 44,942 | 27.68 | 42,922 | 26.76 |
| JMM | 117,425 | 72.32 | 117,454 | 73.24 |
| Total Electricity Consumption | 162,367 | 100.00 | 160,376 | 100.00 |

The Group continues to explore different ways to promote responsible use of electricity and raise awareness among its employees.

M&G is also mindful of the need to manage its fuel consumption, although this is dependent on business activities. The Group’s total fuel consumption for FY 2023 and FY 2024 are summarised in the table below:

| Name of subsidiary | Fuel Consumption | | | |
|-------------------------------|----------------------------|----------------|----------------------------|----------------|
| | FY 2023 (metric tonnes) | FY 2023 (%) | FY 2024 (metric tonnes) | FY 2024 (%) |
| JML Tanker | 11,822.86 | 18 | 12,916.60 | 19 |
| JMM OSV | 53,035.00 | 82 | 55,152.20 | 81 |
| Company Car (Petrol) | - | - | 85.52 | * |
| Company Car (Diesel) | - | - | 32.99 | * |
| Total Fuel Consumption | 64,857.86 | 100 | 68,187.31 | 100 |

**Not meaningful*

Emissions Management

M&G has started tracking its emissions, covering Scopes 1, 2 and 3. Scope 1 emissions include direct greenhouse gas (“GHG”) emissions generated from sources owned or controlled by JML and JMM for the use of tankers and offshore support vessels (“OSVs”).

4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(b) Environment (cont'd)

Emissions Management (cont'd)

For Scope 2 emissions, the data collected covers JML and JMM’s office, where the recorded emissions is inferred from energy consumption data. For Scope 3 emissions, only the estimated emissions from employee travel to work and mileage claim to client office are covered. The following table shows the data for carbon emission for FY 2023 and FY 2024:

| Type of Emission | Carbon Emission (metric tonnes) tCO ₂ e | | | |
|---|--|-------------------------|------------------------|---------------------------|
| | FY 2023 | | FY 2024 | |
| | JML | JMM | JML | JMM |
| Scope 1 GHG Emissions | 40,168.00 ¹ | 137,891.56 ² | 40,946.12 ¹ | 174,018.34 ^{2 3} |
| Scope 2 GHG Emissions ⁴ | 8,690.88 ⁴ | 22,707.65 ⁴ | 8,300.26 ⁴ | 22,713.25 ⁴ |
| Scope 3 GHG Emissions ⁵ | 54.56 ⁵ | 53.89 ⁵ | 62.77 ⁶ | 94.20 ⁶ |
| Total | 48,913.44 | 160,653.10 | 49,309.15 | 196,825.79 |
| Total Emissions (Scope 1, Scope 2 & Scope 3) | 209,566.54 | | 246,134.94 | |

¹ Scope 1: Marine Benchmark Maritime Carbon Emissions.

² Scope 1: Emission Factor used is in line with the guideline provided by PETRONAS.

³ Scope 1: Company Transportation Carbon Emission Factor used is in line with the guideline provided by US EPA 2021AR5 with 2.7325 kg per CO₂e / litre for diesel and 2.3228 kg per CO₂e / litre for petrol.

⁴ Scope 2: UK Electricity Emission Factor used in 2022 = 0.19338 kg CO₂e / kWh as per UK Government GHG Reporting Conversion Factors for Company Year 2022. Greenhouse gas reporting: conversion factors 2022 - GOV.UK (www.gov.uk).

⁵ Scope 3: Consists of employee travel to work at JMM and JML’s office.

⁶ Scope 3: Consists of employee travel to work at JMM and JML’s office and mileage claim to client office.

The significant increase in business activities and the inclusion of JMM’s company vehicles, such as vans and lorries, had led to a substantial rise in carbon emissions recorded for FY 2024. The emissions for FY 2024 reached 246,134.94 tCO₂e, marking a 17.45% increase from the previous fiscal year (FY 2023: 209,566.54 tCO₂e). This increase in emissions highlights the environmental impact of the expanded business operations and the additional company vehicles.

At present, the Group is focused on reducing its Scope 1 emissions by using Low Sulphur Fuel (“LSF”), which helps limit the amount of sulphur dioxide released during the combustion process. In addition, JML has also begun installing Engine Power Limitation (“EPL”) systems to curb fuel consumption and harmful emissions. EPL achieves this by limiting the maximum power of the ship’s engine. As of 30 April 2024, M&G has installed the EPL systems on three (3) tankers.

M&G has also begun implementing the Ballast Water Treatment System (“BWTS”) to comply with the requirements of the International Maritime Organisation’s (“IMO”) International Convention for the Control and Management of Ships’ Ballast Water and Sediments, that came into force in September 2017. The installed BWTS deactivates biological organisms and reduces harmful chemicals in the ballast water tank, ensuring environmentally responsible discharges. JML has installed BWTS on three (3) marine tankers to date.



4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(b) Environment (cont'd)

Effluents and Waste Management

The Group recognises the importance of responsible waste and effluent management in protecting the environment. M&G is aware of the consequences of improper waste disposal, including emissions and discharges, and adheres to all applicable regulations for both domestic and industrial wastes.

JMM and JML manage two (2) types of waste, namely general waste and oil waste. As part of its commitment to environmental preservation, the Group have begun recording and compiling data related to waste management.

JMM and JML actively oversee and track all effluent and waste records generated by their vessels, conducting inspections for any suspected leaks. Preventive measures are identified and controls are implemented as and when necessary to prevent pollution and environmental hazards. For oil waste management, JML and JMM collaborate with third-party contractors approved by the Department of Environment (“DOE”) to dispose of the waste in accordance with MARPOL and other relevant regulations.

Additionally, vessel maintenance is crucial to minimize hazardous discharges. A third-party was engaged to perform maintenance on the JMM and JML fleet. The service provider ensures that maintenance services adhere to international maritime regulations, focusing on environmental performance and safety. The inspection covers everything from the ship’s paintwork to its cargo and ballast carrying capacity, ensuring minimal environmental impact and a safe working environment for crew members. These inspections are conducted every six (6) months for tankers and OSVs in compliance with IMO standards and regulations.

The following outlines the activities implemented by M&G on waste management at reducing waste generation and promoting sustainable waste management practices during FY 2024:

- JML 5S Cleaning Day
- JMM E-Waste Awareness Week
- Clothes & Shoes Recycling Campaign
- JML E-Waste Awareness Week
- JML Beach Cleanup & Sustainable Legacies Workshop
- JML and JMSM Plastic Pollution Awareness Campaign
- JML and JMSM 5S Week

Effluents and Waste Management Performance Table

| Type of Waste | FY 2023 | | | FY 2024 | | |
|---------------|-------------------------------|-----------------------------------|--------------------------------------|-------------------------------|-----------------------------------|--------------------------------------|
| | General Waste (metric tonnes) | Oil / Bilge Waste (metric tonnes) | Total Recycled Waste (metric tonnes) | General Waste (metric tonnes) | Oil / Bilge Waste (metric tonnes) | Total Recycled Waste (metric tonnes) |
| JML Tanker | 3,640.16 ¹ | 19,007.60 ² | 3.5 | 138.77 | 3,079.17 ³ | 21.9 |
| JMM OSV | 77.07 | 115.18 | 0.2 ⁴ | 168.86 | 11,916.20 | 12.9 ⁵ |
| JML Office | 0.26 ⁶ | - | 0.1 | 0.28 | - | 1.0 |
| JMM Office | 0.78 | - | 0.1 | 0.78 | - | 0.4 |
| Total | 3,718.27 | 19,122.78 | 3.9 | 308.69 | 14,995.37 | 36.2 |

¹Note: Data is based on rough estimates for 8 tankers.

²Note: Data is based on rough estimates for 8 tankers.

³Note: Based on actual data collection and adjusted after disposal of 2 vessels during the financial year.

⁴Note: The data only comprises of 2 vessels in FY 2023.

⁵Note: The data comprises of 14 vessels in FY 2024.

⁶Note: Restated to reflect the proper decimal point.

4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(b) Environment (cont'd)

Effluents and Waste Management (cont'd)

For FY 2024, both JMM and JML recorded 308.69 metric tonnes of general waste generated and 14,995.37 metric tonnes of oil waste.

In terms of waste segregation, the Group's total recycled waste in FY 2024 has increased to 36.2 metric tonnes (FY 2023: 3.9 metric tonnes) as more vessels are now recycling wastes as compared to FY 2023. The Group intends to expand the adoption of this practice among its other vessels by conducting awareness sessions in the future.

Water Management

Water consumption for JML and JMM offices significantly decreased to 1,361 metric tonnes in FY 2024, representing a 52% reduction from 2,843 metric tonnes in FY 2023. This reduction was primarily due to the discovery of a pipe leak that occurred in JMM, which it addressed immediately by replacing the affected piping.

To further reduce water consumption, the Group launched awareness campaigns, such as World Water Day on 25 March 2024, to educate employees on water conservation. The Group's awareness posters and campaigns promote responsible water use and offer practical tips to minimize water waste. These efforts align with our sustainability objectives and foster a culture of environmental consciousness.

Water Consumption Performance Table

| Company | Water Consumption (metric tonnes) | |
|--------------|-----------------------------------|--------------|
| | FY 2023 | FY 2024 |
| JML Office | 645 | 394 |
| JMM Office | 2,198 | 967 |
| Total | 2,843 | 1,361 |

(c) Social

Employee Labour Practices and Standards

Local Hiring

The Group believes that hiring locally not only strengthens the local workforce but also fosters a sense of community engagement. The Group's total new local hiring is summarised in the table below:

| New Hiring | FY 2023 | FY 2024 |
|--------------|-----------|-----------|
| Permanent | 0 | 8 |
| Contract | 15 | 17 |
| Total | 15 | 25 |



4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(c) Social (cont'd)

Employee Labour Practices and Standards (cont'd)

Employee Turnover

Employee turnover in FY 2024 was reported at seventeen (17), compared to eleven (11) in the previous year. This increase was due to departures to other companies, retirement, and transfers to other subsidiaries that are not part of this review. In maintaining a productive and motivated workplace, both permanent and contract employees are offered a range of competitive benefits.

The following table outlines the number of employee turnover by category:

Total number of employee turnover by employee category

| Employee Categories | FY 2023 | | FY 2024 | |
|---------------------|-----------|-----|-----------|-----|
| | JML | JMM | JML | JMM |
| Management | 1 | 3 | 0 | 4 |
| Executive | 2 | 4 | 5 | 1 |
| Non-Executive | 0 | 1 | 2 | 5 |
| Total | 11 | | 17 | |

While some employee turnover is inevitable, the Group's recruitment strategies have ensured departures are replaced. To further reduce employee turnover, the Group offers competitive compensation and benefits packages. This includes benefits like yearly increment, bonus and opportunities for professional development through training programs. M&G's commitment to attracting and retaining top talent underscores its dedication to building a strong and adaptable workforce, capable of meeting industry demands.

Total Number of Employees

| Employee Categories | FY 2023 | | FY 2024 | |
|---------------------|------------|-----|------------|-----|
| | JML | JMM | JML | JMM |
| Management | 7 | 20 | 10 | 20 |
| Executive | 14 | 25 | 19 | 26 |
| Non-Executive | 9 | 35 | 5 | 38 |
| Total | 30 | 80 | 34 | 84 |
| Total | 110 | | 118 | |

Total number of employees by Employment Contract

| Employee Categories | FY 2023 | | FY 2024 | |
|---------------------|------------|-----|------------|-----|
| | JML | JMM | JML | JMM |
| Permanent | 19 | 22 | 17 | 27 |
| Contract | 11 | 58 | 17 | 57 |
| Total | 30 | 80 | 34 | 84 |
| Total | 110 | | 118 | |

4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(c) Social (cont'd)

Employee Labour Practices and Standards (cont'd)

Interns

The Group has collaborated with universities to oversee an active internship program, offering emerging talents an opportunity to gain work experience at M&G.

The Group welcomes students from diverse backgrounds to take part in its internship programs. The Group offers interns the chance to gain practical experience over a period of three (3) to six (6) months. M&G believes in providing adequate opportunities for interns to develop valuable skills including research and analysis, communication and project management while working alongside experienced professionals.

In FY 2024, the Group welcomed talented candidates from a variety of backgrounds into our internship programme and one (1) intern was offered a full-time position within the Procurement Department. All these interns acquired valuable experience and made significant contributions to the Group.

Summary of total number of interns

| Internship Programme | FY 2023 | FY 2024 |
|----------------------|-----------|-----------|
| JML | 9 | 6 |
| JMM | 31 | 29 |
| Total | 40 | 35 |

Employment Benefits

The Group provides its employees a competitive salary and benefits package, which is regularly reviewed to ensure alignment with legal requirements and industry benchmarks.

Type of Leave

- Annual Leave
- Substitute Leave
- Medical & Hospitalisation Leave
- Maternity & Paternity Leave
- Special Leave
- Emergency Leave
- Examination Leave
- Pilgrimage (Hajj) Leave

Medical

- Annual Medical Checkup & Health Screening

Allowances

- Business Travel Allowance
- Professional Membership Reimbursement
- Meal Allowance
- Accommodation Reimbursement
- Transportation Allowance
- Telephone Bill Allowance
- Mobile Phone Allowance
- Maternity Allowance

Insurance

- Hospital & Surgical Insurance
- Term Life Insurance
- Group Personal Accident Insurance



4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(c) Social (cont'd)

Employee Labour Practices and Standards (cont'd)

Training & Development

In order to enhance the existing and develop new skills for employees, the Group offers training opportunities for professional, personal, organizational, and safety development. Every year, Heads of Department assess employees' training needs to boost their skills. Employees are encouraged to request training they're interested in. These programs aim to improve productivity, efficiency, and quality of work, benefiting overall business performance and competitiveness.

In FY 2024, the Group recorded a total of 1,969 hours of training, a decrease compared to FY 2023 due to an increase in business activities that required the Management team to focus its attention on operational matters. Nonetheless, the Group remains committed to supporting the learning and development of its employees.

Using a multi-faceted approach, the Group identifies suitable training programs based on employee performance appraisals, fostering a culture of agility and resilience in a rapidly changing business environment.

| Employee Categories | FY 2023 | | FY 2024 | |
|---------------------|-----------------------------|---|-----------------------------|---|
| | Total Training Time (Hours) | Average Training Hours Per Employee (Hours) | Total Training Time (Hours) | Average Training Hours Per Employee (Hours) |
| Management | 1,039 | 38.48 | 370 | 11.56 |
| Executive | 849 | 21.77 | 974 | 15.21 |
| Non-Executive | 609 | 13.84 | 625 | 8.02 |
| Total | 2,497 | 74.09 | 1,969 | 34.79 |

Employment Diversity and Equal Opportunity

The Group is committed to improving employment diversity and equal opportunity to maintain a competitive edge. Our commitment to enhancing workforce diversity aligns with our Group's Corporate Diversity Policy, dated 29 November 2017.

Board Diversity Policy

M&G acknowledges the value of a diverse Board in sustaining competitiveness. Diversity at the Board level, encompassing various skills, backgrounds, genders, ages, ethnicities, and more, is essential. Board appointments prioritise merit, ensuring the collective possession of requisite skills and experience for effectiveness.

Employee Diversity Policy

M&G embraces active diversity management to enhance performance by recognising and utilising the diverse skills and talents of both directors and employees. Diversity encompasses a range of factors including backgrounds, skills, experiences and perspectives, including those with concurrent family responsibilities. This diversity may be based on aspects such as gender, age, ethnicity, cultural background or other personal factors.

M&G's Corporate Diversity Policy, which covers both Board and employee diversity, is available on our corporate website, <https://www.marine-general.com.my/pdf/CP-CorporateDiversityPolicy.pdf>.

4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT’D)

(c) Social (cont’d)

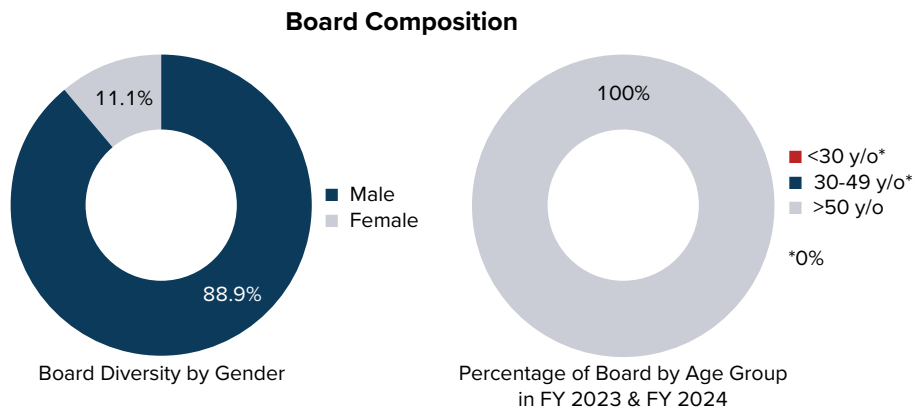
Employment Diversity and Equal Opportunity (cont’d)

Board Diversity

In line with our Corporate Diversity Policy, M&G recognises the benefits of having a diverse Board. A truly diverse Board should include Directors who bring a range of skills, regional backgrounds, industry experience, personal histories, gender, age, ethnicity and other qualities. All Board appointments are made on merit, taking into account the skills and expertise required for the Board to function effectively as a whole.

At the end of FY 2024, the M&G Board comprises of nine (9) members, one (1) of which is a female.

In terms of age grouping, all of the members of the M&G Board for FY 2024 are aged 50 or above to ensure the Group is able to call upon the experience as well as expertise of its Directors.



Employee Diversity

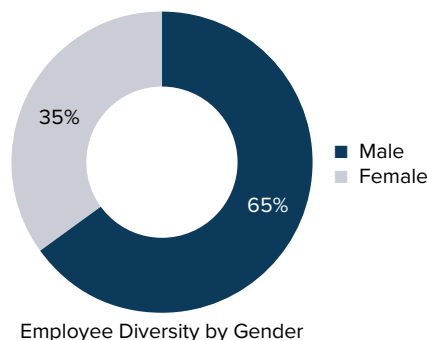
For FY 2024, the Group employed a total of 118 employees at the operating subsidiaries, of which 65% were male and 35% female. Recognising the contribution of its female employees to our business, the Group will strive to be more inclusive in providing opportunities to all employees regardless of gender.

Total Employee Table from FY 2023 to FY 2024

| Financial Year | FY 2023 | FY 2024 |
|----------------|------------------|------------------|
| Total Employee | 110 ¹ | 118 ¹ |

¹Note: This number comprises data from JML & JMM only

Employee Composition in FY 2024



4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

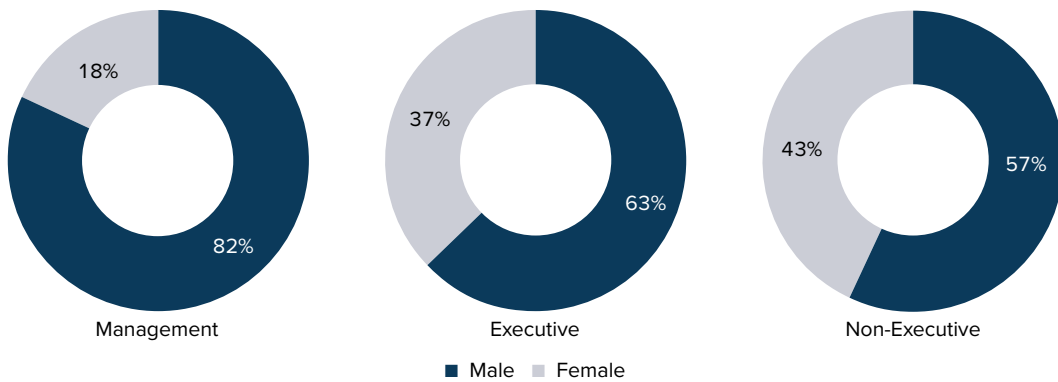
(c) Social (cont'd)

Employment Diversity and Equal Opportunity (cont'd)

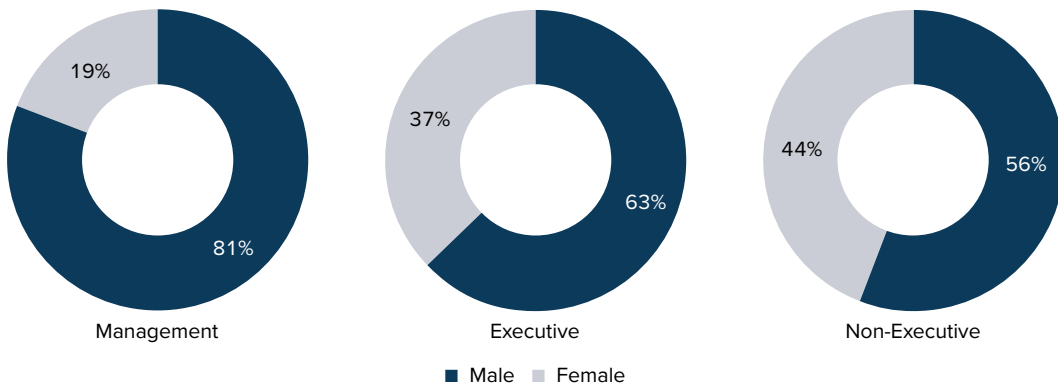
Employee Diversity (cont'd)

The gender and age diversity by employee category can be summarised as follows:

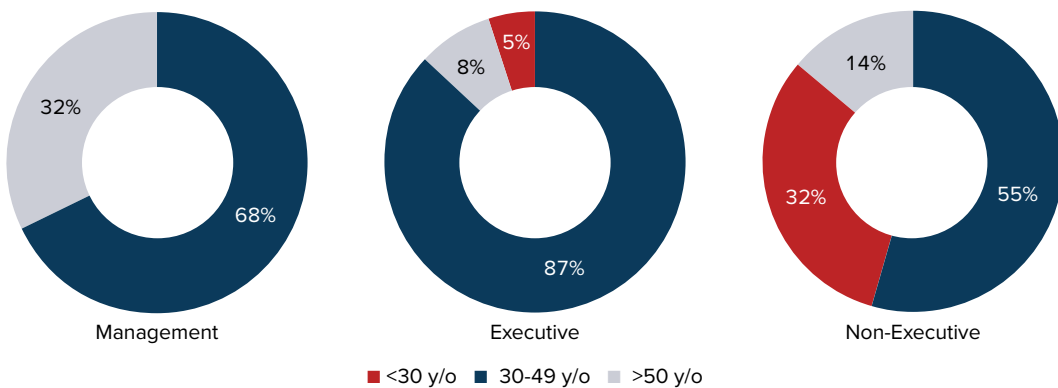
Gender Diversity by Employee Category in FY 2023



Gender Diversity by Employee Category in FY 2024



Age Diversity by Employee Category in FY 2023



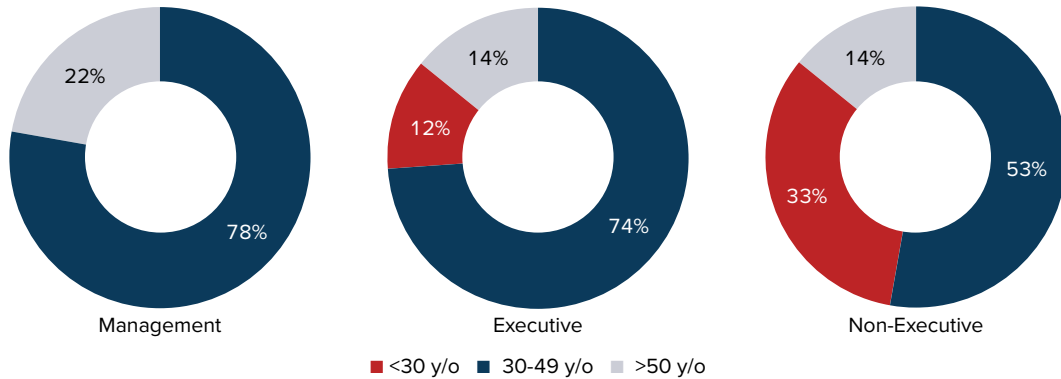
4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(c) Social (cont'd)

Employment Diversity and Equal Opportunity (cont'd)

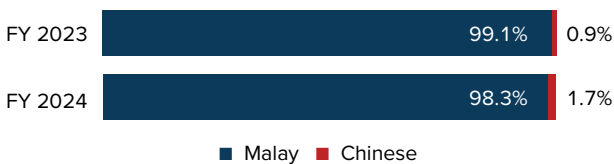
Employee Diversity (cont'd)

Age Diversity by Employee Category in FY 2024

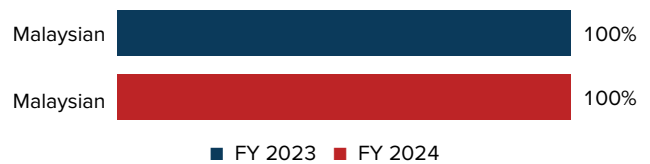


The Group acknowledges that having a diverse age range in its employees can bring together new perspectives, a variety of experiences and skills, creating an enhanced workforce that benefits employees at all levels. With that in mind, the Group does try to employ across multiple age ranges.

**Malaysian Workforce Diversity by Ethnicity
FY 2023 and FY 2024**



**Workforce Diversity by Nationality
FY 2023 and FY 2024**



Occupational Safety and Health

The Group places particular importance on Health, Safety, Environment and Quality (“HSEQ”). It is committed to ensuring the safety and welfare of its seafarers while on board its vessels.

This is reflected in the formation of a Safety & Health Committee (at JMM) to assist in the development of safety policies and systems, while also improving the effectiveness of existing safety programmes. This Committee consists of fourteen (14) members, including five (5) employer representatives and six (6) employee representatives. The Committee conducts Annual Management Review meetings to identify hazards, establish safety procedures and implement improvement initiatives. In addition, the Group’s vessels are Ship Inspection Report Program (“SIRE”) certified, which is essential for safety, environmental protection and operational efficiency.

4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(c) Social (cont'd)

Occupational Safety and Health (cont'd)

Safety initiatives implemented at both JMM & JML to ensure a safe working environment for marine crew on-board, include:

- Management visits on-board the vessel at scheduled intervals;
- Enhancement of the Company’s Safety Management System on the Port State Control (“PSC”) requirement and implementation of focused PSC Concentrated Inspection Campaigns (“CIC”) across the fleet;
- Conducted internal pre-vetting program to ensure the vessel meets the specific requirement of the relevant Flag State and Port State regulations;
- Continual shipboard crew familiarisation via structured safety training on specific shipboard operation safety as per requirement stated in the Company’s Electronic Safety Management System (“ESMS”);
- Emergency drills conducted on scheduled basis to ensure requirements by International Safety Maritime (“ISM”) code, International Ship and Port Facility Security Code (“ISPS”), The International Convention for the Safety of Life at Sea (“SOLAS”), Oil Companies International Marine Forum (“OCIMF”) are satisfactorily met; and
- Continuous learning and awareness, safety trainings were periodically conducted on-board, such as trainings on Life Savings Appliances (“LSA”), Fire Fighting Appliances (“FFA”), Pilot Ladder, Voyage Data Recorders (“VDR”) Procedure, Multi Gas Detector, Ballast Water Management Plan, Garbage Management Plan, ESMS, Risk Assessment, Permit to Work and Toolbox Meeting.

JML’s Marine Tanker fleet also fully complies with the Energy Efficiency Existing Ship Index (“EEXI”) and Carbon Intensity Indicator (“CII”) requirements under MARPOL Annex VI, effective from 1 November 2022. JML’s tankers calculate attained EEXI for energy efficiency and collect data for annual operational CII ratings.

The Group maintains a track record of strict compliance with regard to safety, enabling both JMM and JML to achieve zero work-related fatalities in both FY 2023 and FY 2024 with a combined cumulative Lost Time Injury (“LTI”) of 20,856,851 man-hours in FY 2024 since last LTI.

Table of Manhours worked and Lost Time Injury Rate

| FY 2023 | | FY 2024 | |
|-------------------------|----------|-------------------------|----------|
| Manhours since last LTI | LTI Rate | Manhours since last LTI | LTI Rate |
| 18,082,733 | 0 | 20,856,851 | 0 |

Note: The Lost Time Injury (“LTI”) performance in this table was calculated based on the cumulative number of manhours worked since the last incident which occurred back in 2013 (JMM) and 2024 (JML).

Table of FY Manhours worked and Lost Time Injury Rate

| FY 2023 | | FY 2024 | |
|-----------------|----------|-----------------|----------|
| Manhours Worked | LTI Rate | Manhours Worked | LTI Rate |
| 3,383,344 | 0 | 3,146,504 | 0 |

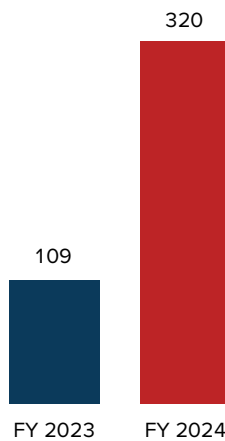
4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(c) Social (cont'd)

Occupational Safety and Health (cont'd)

The number of employees participating in HSE-related training in the last two financial years are shown in the graph below, comprising onshore employees:

Number of Employees Attending HSE-Related Training in FY 2023 and FY 2024



Alcohol and Drug Policy

M&G has a zero-tolerance policy against alcohol and drug abuse across its fleet. We enforce strict measures, including random testing, to ensure a safe and healthy working environment. Violations of this policy will result in strict disciplinary action to maintain discipline and safety standards.

Stop Work Policy

M&G has a Stop Work Policy allowing all employees to halt work if they encounter unsafe conditions. Crew members, regardless of position, can stop work during OSV operations if they identify hazards. Employees undergo a safety training program called Unsafe Acts Unsafe Conditions (“UAUC”) to recognize when to halt work. This measure ensures the safety of crews, prevents harm to property, and avoids environmental pollution.

No-Smoking Policy

The Group promotes a healthy work environment, and for everyone’s safety, smoking and vaping are limited to designated areas due to fire hazards.

Sexual Harassment Policy

M&G is committed to fostering a work environment free from sexual harassment. M&G has a clear Policy and Procedures regarding sexual harassment, effective 1 January 2020 in place to ensure confidential reporting and effective handling of any incidents. All forms of harassment will be addressed firmly by the respective line Manager and Human Resources (“HR”) Department, following established HR protocols and relevant regulations. The Group is pleased to report that no sexual harassment incidents were reported in FY 2024.

4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(c) Social (cont'd)

Occupational Safety and Health (cont'd)

Compliance with labour laws

M&G strives to ensure its businesses complies with the relevant labour laws applicable to it. M&G is therefore pleased to report that there were zero reports of unfair employment practices and incidents in FY 2023 and FY 2024.

Human Rights Violations

The Group recognises the importance of respecting the fundamental rights and freedoms of individuals and communities affected by our activities. As part of its ongoing commitment to responsible business practices, M&G is pleased to report that it has not received any complaints or incidents related to the violation of human rights during the reporting period.

Personal Data Protection

M&G recognises the importance of protecting your personal information. We strictly adhere to the guidelines set out in the Personal Data Protection Act 2010 (“PDPA”). Our Personal Data Protection Policy was in place effectively on 28 November 2018, which outlines how we protect sensitive data throughout the collection and handling process. We maintain high data protection standards and confidentiality is embedded in our Code of Conduct, Employment Letters and Employee Handbook.

We implement strict measures to protect customer data, including anti-virus software and regular security updates. We also have clear Group’s IT policies covering access management, network security, employee use of IT equipment and incident management procedures.

We are pleased to report that there were no reported data breaches in FY 2024. This continues our strong track record as there were no reported incidents in the previous financial year (FY 2023: 0).

| Financial Year | FY 2023 | FY 2024 |
|---|---------|---------|
| Number of reported cases of data breaches | 0 | 0 |

Local Community

M&G recognizes the significant role we play in our local communities and is committed to making a positive impact. We have consistently contributed to the well-being and development of these communities through various donations and Corporate Social Responsibility (“CSR”) initiatives. In FY 2024, our total contribution amounted to RM109,453.61 (FY 2023: RM48,685).

| No. | Donation / CSR to Community | Amount (RM) |
|--------------|---|-------------------|
| 1 | Career Talk & Workshop at Politeknik Ungku Omar | 4,000.00 |
| 2 | Majlis Agihan Zakat | 86,400.00 |
| 3 | Program Ikatan Kasih Ramadhan | 15,000.00 |
| 4 | Ramadhan Celebration with Pusat Jagaan Kasih Nur Muhammad | 4,053.61 |
| Total | | 109,453.61 |

4. SUSTAINABILITY KEY PERFORMANCE INDICATORS (“KPIs”) (CONT'D)

(c) Social (cont'd)

Local Community (cont'd)

For the internal programs and activities, kindly refer to our website <https://www.esg.jasamerin.com.my/activities.php>.

We believe it is essential for the Group to strike a balance between its business goals and social responsibilities, showcasing our dedication to being a conscientious corporate entity and playing an active role in nation-building endeavours. By supporting local communities and providing assistance to vulnerable segments of society, we can create a meaningful impact and contribute to the growth of the community.

5. MOVING FORWARD

The Group remains strongly committed to sustainability, focusing on developing sustainability policies, setting targets and adhering to reporting standards for sustainability disclosures.

M&G strives to meet its sustainability goals through close collaboration with employees, customers and other relevant stakeholders. By working together, the Group believes it can drive positive change and make a lasting impact. Additionally, the Group is committed to reducing fuel consumption by exploring various initiatives. By prioritising sustainability, M&G is confident in its ability to help to create a brighter and safer future for generations to come.

6. STATEMENT OF ASSURANCE

This Sustainability Statement has not been subjected to an assurance process.



PERFORMANCE DATA TABLE

| Indicator | Unit | FY 2024 | FY 2023 |
|---|---------------------|------------|------------|
| Anti-Corruption | | | |
| Bursa C1(a) Percentage of employees who have received anti-corruption training by employee category | | | |
| Management | Percentage | 100 | 100 |
| Executive | Percentage | 100 | 100 |
| Non-Executive | Percentage | 100 | 100 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 100 | 100 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 | 0 |
| Procurement Practices | | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 85 | 84 |
| Energy Management | | | |
| Bursa C4(a) Total energy consumption | Megawatt | 160.38 | 162.37 |
| Emissions Management | | | |
| Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e | tCO ₂ -e | 214,964.46 | 178,059.56 |
| Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e | tCO ₂ -e | 31,013.51 | 31,398.53 |
| Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e | tCO ₂ -e | 156.97 | 108.45 |
| Waste Management | | | |
| Bursa C10(a) Total waste generated | Metric tonnes | 15,340.25 | 22,844.99 |
| Bursa C10(a)(i) Total waste diverted from disposal | Metric tonnes | 36.2 | 3.9 |
| Bursa C10(a)(ii) Total waste directed to disposal | Metric tonnes | 15,304.06 | 22,841.05 |
| Water Management | | | |
| Bursa C9(a) Total volume of water used | Megalitres | 1.361000 | 2.843000 |
| Labour Practices and Standards | | | |
| Bursa C6(a) Total hours of training by employee category | | | |
| Management | Hours | 370 | 1,039 |
| Executive | Hours | 974 | 849 |
| Non-executive | Hours | 625 | 609 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 37 | 37 |
| Bursa C6(c) Total number of employee turnover by employee category | | | |
| Management | Number | 4 | 4 |
| Executive | Number | 6 | 6 |
| Non-executive | Number | 7 | 1 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violation | Number | 0 | 0 |

PERFORMANCE DATA TABLE (CONT'D)

| Diversity and Equal Opportunity | | | |
|---|------------|------------|--------|
| Bursa C3(a) Percentage of employees by gender and age group by employee category | | | |
| Gender group by employee category | | | |
| Management – Male | Percentage | 81 | 82 |
| Management – Female | Percentage | 19 | 18 |
| Executive – Male | Percentage | 63 | 63 |
| Executive – Female | Percentage | 37 | 37 |
| Non-executive – Male | Percentage | 56 | 57 |
| Non-executive – Female | Percentage | 44 | 43 |
| Age group | | | |
| Management – < 30 years old | Percentage | 0 | 0 |
| Management – 30 – 50 years old | Percentage | 78 | 68 |
| Management – > 50 years old | Percentage | 22 | 32 |
| Executive – < 30 years old | Percentage | 12 | 5 |
| Executive – 30 – 50 years old | Percentage | 74 | 87 |
| Executive – > 50 years old | Percentage | 14 | 8 |
| Non-executive – < 30 years old | Percentage | 33 | 32 |
| Non-executive – 30 – 50 years old | Percentage | 53 | 55 |
| Non-executive – > 50 years old | Percentage | 14 | 14 |
| Bursa C3(b) Percentage of directors by gender and age group | | | |
| Male | Percentage | 88.9 | 88.9 |
| Female | Percentage | 11.1 | 11.1 |
| < 30 years old | Percentage | 0 | 0 |
| 30 – 50 years old | Percentage | 0 | 0 |
| > 50 years old | Percentage | 100 | 100 |
| Occupational Health and Safety | | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 | 0 |
| Bursa C5(b) Lost Time Incident Rate (“LTIR”) | Number | 0 | 0 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 320 | 109 |
| Data Privacy and Security | | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer | Number | 0 | 0 |
| Local Communities | | | |
| Bursa C2(a) Total amount invested in the community where target beneficiaries are external to the listed issuer | MYR | 109,453.61 | 48,685 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 17 | 5 |

Note: *Italicised fonts represent indicators other than those under the common material matters.*



DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards, the requirements of the CA and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent; and
- prepared the financial statements on going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA and Main Market Listing Requirements and the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board.

The Directors have the overall responsibility for taking such steps that 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.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

1. AUDIT AND NON-AUDIT FEES

The amount of audit fees paid or payable to the external auditors, Messrs. BDO PLT, for services rendered to the Group and the Company for the financial year ended 30 April 2024 amounted to RM368,000 and RM73,000 respectively.

The non-audit fees paid or payable to the external auditors, Messrs. BDO PLT, and their affiliated companies for services rendered to the Group and the Company for the financial year ended 30 April 2024 amounted to RM8,000 and RM8,000 respectively.

2. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and / or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 30 April 2024.

3. REVALUATION POLICY ON LANDED PROPERTIES

The Company does not have a revaluation policy on landed properties.

4. RECURRENT RELATED PARTY TRANSACTIONS

The aggregate value of recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year ended 30 April 2024 are as follows:

| Transacting Party | Interested Persons Connected | Nature of RRPT | Aggregate Value |
|-------------------------------|-------------------------------------|-------------------------------|-----------------|
| Jasa Merin (Malaysia) Sdn Bhd | Muhibbah Marine Engineering Sdn Bhd | Vessel docking services | RM8.4 million |
| | | Vessel repair and maintenance | RM1.2 million |
| | Muhibbah O&G Sdn Bhd | Vessel charter hire | RM5.8 million |
| M&G Tankers Sdn Bhd | Muhibbah Marine Engineering Sdn Bhd | Vessel charter hire | RM5.1 million |



FINANCIAL STATEMENTS

| | |
|---|-----|
| Directors' Report | 83 |
| Statement by Directors | 89 |
| Statutory Declaration | 89 |
| Independent Auditors' Report | 90 |
| Statements of Financial Position | 95 |
| Statements of Profit or Loss and Other Comprehensive Income | 97 |
| Statements of Changes in Equity | 99 |
| Statements of Cash Flows | 102 |
| Notes to the Financial Statements | 103 |

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are summarised as follows:

- (a) provision of offshore marine support services;
- (b) provision of marine logistics services;
- (c) provision of tanker management services; and
- (d) investment holding.

There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

| | Group RM'000 | Company RM'000 |
|-------------------------------|-----------------|-------------------|
| Profit for the financial year | 67,763 | 111,316 |
| Attributable to: | | |
| Owners of the Company | 47,035 | 111,316 |
| Non-controlling interests | 20,728 | - |
| | 67,763 | 111,316 |

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDEND

There was no dividend proposed, declared or paid by the Company since the end of the previous financial year and Directors do not recommend any dividend to be paid for the year under review.



DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tan Sri Mohammed Azlan bin Hashim
 Tai Keat Chai
 Nik Abdul Malik bin Nik Mohd Amin
 Shariffuddin bin Khalid
 Datin Shelina binti Razaly Wah
 Haji Abdul Rahman bin Ali
 Kamarul Ariffin bin Mohd Jamil
 Rozhan Anwar bin Abdul Halim
 Megat Joha bin Megat Abdul Rahman

Subsidiaries of Marine & General Berhad (excluding those who are already listed above)

Mohd Noor Ismardi bin Idris
 Dato' Haji Mohtar bin Nong
 Dato' Haji Adzlan bin Mohd Dagang
 Dato' Haji Osman bin Muda
 Datuk Haji Ahmad Amzad bin Mohamed @ Hashim
 Dato' Safian bin Mohd Yunus
 Ng Chee Siong
 Ooi Kien Chuan
 Haji Burhanuddin Hilmi bin Mohamed @ Harun

(Appointed on 2 May 2024)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

| | ← Number of ordinary shares → | | | Balance as at 30.4.2024 |
|-----------------------------------|-------------------------------|------------|--------------|-------------------------------|
| | Balance as at 1.5.2023 | Acquired | Sold | |
| Direct interests | | | | |
| Haji Abdul Rahman bin Ali | 192,781,751 | - | - | 192,781,751 |
| Tan Sri Mohammed Azlan bin Hashim | 19,662,467 | 29,777,713 | - | 49,440,180 |
| Nik Abdul Malik bin Nik Mohd Amin | 2,400,000 | - | - | 2,400,000 |
| Deemed interest | | | | |
| Tan Sri Mohammed Azlan bin Hashim | 150,791,759 | - | (59,555,426) | 91,236,333 |

By virtue of their interest in the shares of the Company, they are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Marine & General Berhad has an interest.

None of the other Directors holding office at 30 April 2024 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the 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.

The Directors' benefit paid to or receivable by Directors in respect of the financial year ended 30 April 2024 are as follows:

| | From the Company RM'000 | From subsidiary companies RM'000 |
|---|-------------------------------|---|
| Directors of the Company: | | |
| Fees | 539 | 33 |
| Salaries and bonuses | 1,432 | 1,352 |
| Defined contribution plans | 142 | 183 |
| Estimated money value of any other benefits | 341 | 238 |
| | 2,454 | 1,806 |

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, the Group maintained a Directors' and Officers' Liability Insurance for the purpose of Section 289 of the Companies Act 2016. The total insured limit for the Directors and Officers Liability Insurance effected for each of the Directors and Officers of the Group was RM50,000,000 per occurrence and in the aggregate. There was no indemnity given to or insurance effected for the Auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for:
- (i) the impairment losses on property, vessels and equipment of RM2,232,000 and reversals of impairment losses of property, vessels and equipment of RM27,992,000 during the financial year in the statement of profit or loss of the Group;
 - (ii) the effects of arising from the reversal of impairment loss on financial guarantee of RM73,985,000 during the financial year in the statement of profit or loss of the Company; and
 - (iii) the effects of arising from the net reversals of impairment losses on investments in subsidiaries of RM41,548,000 during the financial year in the statement of profit or loss of the Company.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
- (i) which would necessitate the writing off of bad debts or render the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION (CONT'D)**(III) AS AT THE DATE OF THIS REPORT**

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**Disposals of two (2) vessels by the wholly owned subsidiaries of the Group**

On 26 December 2023, a wholly owned subsidiary of the Group namely, TKH Marine (L) Ltd had disposed its vessel, JM Sutera 7 for a cash consideration of USD5,800,000 (equivalent to approximately of RM27,200,000) to Narsimhaa Shipping Inc., Liberia.

Further, on 26 March 2024, a wholly owned subsidiary of the Group namely, M&G Tankers Sdn. Bhd. had disposed its vessel, JM Sutera 5 for a total cash consideration of USD5,550,000 (equivalent to approximately RM26,210,000) to Kalinda Permata Transport Pte. Ltd., Singapore.



AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

The auditors' remuneration of the Group and the Company for the financial year ended 30 April 2024 were as follows:

| | Group RM'000 | Company RM'000 |
|---------------------|-------------------------|---------------------------|
| Statutory audit | 368 | 73 |
| Non-statutory audit | 8 | 8 |
| | <hr/> | <hr/> |
| | 376 | 81 |

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

Tan Sri Mohammed Azlan bin Hashim
Director

Tai Keat Chai
Director

Kuala Lumpur
30 August 2024

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 95 to 152 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions 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 30 April 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Tan Sri Mohammed Azlan bin Hashim
Director

Tai Keat Chai
Director

Kuala Lumpur
30 August 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Mohd Nizam bin Abd Wahab**, being the officer primarily responsible for the financial management of Marine & General Berhad, do solemnly and sincerely declare that the financial statements set out on pages 95 to 152 are, to the best of my knowledge and belief, 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 this)
30 August 2024)

Mohd Nizam bin Abd Wahab

Before me:

Zainul Abidin bin Ahmad
Commissioner of Oaths
W790



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MARINE & GENERAL BERHAD

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Marine & General Berhad, which comprise the statements of financial position as at 30 April 2024 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, and notes to the financial statements, including material accounting policy information, as set out on pages 95 to 152.

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 30 April 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), 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 ("ISAs"). 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 opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and 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, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group

1. Impairment assessment of vessels

As at 30 April 2024, the carrying amount of vessels together with dry docking expenditure of the Group amounting to RM683,600,000, net of impairment loss of RM25,760,000 as disclosed in Note 4 to the financial statements. The Directors and management of the Group have assessed that indicators of impairment exist and therefore, an impairment assessment was performed in accordance with the requirements of MFRS 136 *Impairment of Assets* ("MFRS 136").

As disclosed in Note 4 to the financial statements, the Group via its independent valuer estimated the recoverable amount for each vessel based on fair value less cost of disposal. As a result, the Group recognised impairment loss of RM2,232,000 on certain vessels and reversed impairment loss of RM27,992,000 during the financial year.



Key Audit Matters (cont'd)

Key Audit Matters of the Group (cont'd)

1. Impairment assessment of vessels (cont'd)

We determined that the impairment assessment of the carrying amount of the Group's vessels together with dry docking expenditure as a key audit matter because of its significance to total assets in the consolidated financial statements and the estimation of recoverable amount involved a significant degree of judgement and assumptions made by the Group such as comparison to market value of the type of vessel fitted with the same fittings or equipment of similar nature or as close in similarity to recent transactions around the region.

Audit response

Our audit procedures included the following:

- a. Obtain the latest independent valuation report and assessed the competency, independence and objectivity of independent valuer;
- b. Interviewed the independent valuer to understand the valuation methodology in determining the fair values of the vessels;
- c. Assessed the key inputs provided by management to the independent valuer and key assumptions used by the independent valuer in determining the fair values of the vessels; and
- d. Involved auditors' expert to develop auditors' point estimate of the fair values of vessels.

Key Audit Matter of the Company

1. Impairment assessment of carrying amounts of investments in subsidiaries

The carrying amount of investments in subsidiaries, net of impairment of RM158,881,000 as disclosed in Note 6 to the financial statements.

We determined the impairment assessment of the carrying amounts of investments in subsidiaries to be a key audit matter because of its significance to total assets in the financial statements of the Company and its required us to exercise judgement in evaluating the appropriateness of assumptions used in deriving the recoverable amount to assess the adequacy of impairment loss recognised by management.

Audit response

Our audit procedures included the following:

- a. Evaluated the managements' assessment of indications of impairment;
- b. Evaluated the fair value of subsidiaries' underlying assets, vessels by assessing the competency, independence and objectivity of independent valuer and key inputs provided by management to the independent valuer and key assumptions used by the independent valuer in determining the fair values of the vessels; and
- c. Involved auditors' expert to develop auditors' point of estimate of the fair value of the vessels.



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 or 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 MFRSs, 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 ability of the Group and of the Company 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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) 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.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- (b) 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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 ability of the Group and of the Company 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.
- (e) 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.
- (f) 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.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MARINE & GENERAL BERHAD (CONT'D)**

Other Matters

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.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Shahira Binti Shahar
03646/03/2026 J
Chartered Accountant

Kuala Lumpur
30 August 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2024

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, vessels and equipment | 4 | 689,592 | 743,345 | 221 | 266 |
| Right-of-use assets | 5 | 2,766 | 1,501 | 894 | 509 |
| Investments in subsidiaries | 6 | - | - | 158,881 | 117,333 |
| Total non-current assets | | 692,358 | 744,846 | 159,996 | 118,108 |
| Current assets | | | | | |
| Inventories | 7 | 16,286 | 15,431 | - | - |
| Other investments | 8 | 8,918 | 8,324 | 8,918 | 8,324 |
| Trade and other receivables | 9 | 71,062 | 65,325 | 1,135 | 4,612 |
| Current tax assets | | 1,237 | 1,692 | 500 | 1,391 |
| Cash and cash equivalents | 10 | 67,401 | 24,423 | 3,415 | 3,750 |
| Total current assets | | 164,904 | 115,195 | 13,968 | 18,077 |
| TOTAL ASSETS | | 857,262 | 860,041 | 173,964 | 136,185 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 11 | 270,003 | 270,003 | 270,003 | 270,003 |
| Reverse acquisition deficit | 11 | (92,791) | (92,791) | - | - |
| Capital reserve | 11 | - | - | 36,297 | 36,297 |
| Other reserve | 11 | - | - | 70,129 | 70,129 |
| Foreign currency translation reserve | | 14,527 | 6,004 | - | - |
| Accumulated losses | | (57,844) | (104,879) | (243,711) | (355,027) |
| Equity attributable to owners of the Company | | 133,895 | 78,337 | 132,718 | 21,402 |
| Preference shares of a subsidiary | 11 | 70,129 | 70,129 | - | - |
| Non-controlling interests | | (41,785) | (64,005) | - | - |
| TOTAL EQUITY | | 162,239 | 84,461 | 132,718 | 21,402 |

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2024 (CONT'D)

| | Note | Group | | Company | |
|--------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Loans and borrowings | 12 | 551,033 | 618,096 | - | - |
| Lease liabilities | 5 | 2,354 | 765 | 821 | 398 |
| Deferred tax liabilities | 13 | 5,457 | 5,103 | - | - |
| Total non-current liabilities | | 558,844 | 623,964 | 821 | 398 |
| Current liabilities | | | | | |
| Loans and borrowings | 12 | 70,908 | 70,358 | - | - |
| Lease liabilities | 5 | 664 | 1,022 | 161 | 176 |
| Provisions | 14 | - | - | 40,036 | 114,021 |
| Trade and other payables | 15 | 64,026 | 79,650 | 228 | 188 |
| Current tax liabilities | | 581 | 586 | - | - |
| Total current liabilities | | 136,179 | 151,616 | 40,425 | 114,385 |
| TOTAL LIABILITIES | | 695,023 | 775,580 | 41,246 | 114,783 |
| TOTAL EQUITY AND LIABILITIES | | 857,262 | 860,041 | 173,964 | 136,185 |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue | 16 | 348,019 | 307,284 | 175 | 175 |
| Direct costs | | (261,466) | (231,115) | - | - |
| Gross profit | | 86,553 | 76,169 | 175 | 175 |
| Other income | | 46,291 | 52,007 | 41,548 | 5,001 |
| Administrative expenses | | (27,370) | (22,123) | (4,988) | (4,414) |
| Other expenses | | (2,322) | (2,879) | - | - |
| Net (loss)/gain on impairment of financial instruments | | (685) | 400 | 74,308 | - |
| Results from operating activities | | 102,467 | 103,574 | 111,043 | 762 |
| Finance income | 17 | 453 | 382 | 311 | 333 |
| Finance costs | 18 | (34,663) | (34,172) | (51) | (36) |
| Net finance (costs)/income | | (34,210) | (33,790) | 260 | 297 |
| Profit before tax | 19 | 68,257 | 69,784 | 111,303 | 1,059 |
| Tax expense | 20 | (494) | (664) | 13 | (15) |
| Profit for the financial year | | 67,763 | 69,120 | 111,316 | 1,044 |
| Other comprehensive income, net of tax | | | | | |
| Item that is or may be reclassified subsequently to profit or loss | | | | | |
| Foreign currency translation differences for foreign operations | | 10,015 | 2,417 | - | - |
| Other comprehensive income for the financial year, net of tax | 21 | 10,015 | 2,417 | - | - |
| Total comprehensive income for the financial year | | 77,778 | 71,537 | 111,316 | 1,044 |

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONT'D)

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 47,035 | 48,086 | 111,316 | 1,044 |
| Non-controlling interests | | 20,728 | 21,034 | - | - |
| Profit for the financial year | | <u>67,763</u> | <u>69,120</u> | <u>111,316</u> | <u>1,044</u> |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 55,558 | 50,062 | 111,316 | 1,044 |
| Non-controlling interests | | 22,220 | 21,475 | - | - |
| Total comprehensive income for the financial year | | <u>77,778</u> | <u>71,537</u> | <u>111,316</u> | <u>1,044</u> |
| Earnings per ordinary share (sen) | | | | | |
| Basic and diluted | 22 | <u>2.11</u> | <u>2.16</u> | | |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

| | Attributable to equity holders of the Group | | Non-distributable | | Preference shares of a subsidiary | | Non-controlling interests | | Total equity |
|---|---|-----------------------------|--------------------------------------|--------------------|-----------------------------------|----------------|---------------------------|---------|--------------|
| | Share capital | Reverse acquisition deficit | Foreign currency translation reserve | Accumulated losses | RM'000 | RM'000 | RM'000 | RM'000 | |
| Group | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 May 2023 | 270,003 | (92,791) | 6,004 | (104,879) | 78,337 | 70,129 | (64,005) | 84,461 | |
| Profit for the financial year | - | - | - | 47,035 | 47,035 | - | 20,728 | 67,763 | |
| Foreign currency translation differences for foreign operations | - | - | 8,523 | - | 8,523 | - | 1,492 | 10,015 | |
| Total comprehensive income for the financial year | - | - | 8,523 | 47,035 | 55,558 | - | 22,220 | 77,778 | |
| Balance as at 30 April 2024 | 270,003 | (92,791) | 14,527 | (57,844) | 133,895 | 70,129 | (41,785) | 162,239 | |
| | Note 11 | Note 11 | | | | Note 11 | | | |

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONT'D)

| Group | Attributable to equity holders of the Group | | | | | Preference shares of a subsidiary RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|------------------------------------|---|---------------------------|--------------|--|----------------------------------|---------------------|
| | Share capital RM'000 | Reverse acquisition deficit RM'000 | Foreign currency translation reserve RM'000 | Accumulated losses RM'000 | Total RM'000 | | | |
| Balance as at 1 May 2022 | 270,003 | (92,791) | 4,028 | (152,965) | 28,275 | 70,129 | (85,480) | 12,924 |
| Profit for the financial year | - | - | - | 48,086 | 48,086 | - | 21,034 | 69,120 |
| Foreign currency translation differences for foreign operations | - | - | 1,976 | - | 1,976 | - | 441 | 2,417 |
| Total comprehensive income for the financial year | - | - | 1,976 | 48,086 | 50,062 | - | 21,475 | 71,537 |
| Balance as at 30 April 2023 | 270,003 | (92,791) | 6,004 | (104,879) | 78,337 | 70,129 | (64,005) | 84,461 |

Note 11

Note 11

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 (CONT'D)

| Company | ← Attributable to equity holders of the Company → | | | | Total equity |
|---|---|-----------------|----------------|--------------------|--------------|
| | Share capital | Capital reserve | Other reserve | Accumulated losses | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 May 2022 | 270,003 | 36,297 | 70,129 | (356,071) | 20,358 |
| Profit for the financial year | - | - | - | 1,044 | 1,044 |
| Other comprehensive income, net of tax | - | - | - | - | - |
| Total comprehensive income for the financial year | - | - | - | 1,044 | 1,044 |
| Balance as at 30 April 2023 / 1 May 2023 | 270,003 | 36,297 | 70,129 | (355,027) | 21,402 |
| Profit for the financial year | - | - | - | 111,316 | 111,316 |
| Other comprehensive income, net of tax | - | - | - | - | - |
| Total comprehensive income for the financial year | - | - | - | 111,316 | 111,316 |
| Balance as at 30 April 2024 | 270,003 | 36,297 | 70,129 | (243,711) | 132,718 |
| | Note 11 | Note 11 | Note 11 | | |

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024

| | Note | Group | | Company | |
|---|------|------------------|-----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Collection of revenue | | 331,230 | 298,798 | - | - |
| Collection of other income | | 14,168 | 4,944 | 311 | 333 |
| Cash generated from operations | | 345,398 | 303,742 | 311 | 333 |
| Payment of expenses | | (230,811) | (168,337) | (4,712) | (4,037) |
| Tax refund | | 913 | - | 913 | - |
| Tax paid | | (957) | (280) | (9) | (17) |
| Net cash generated from/(used in) operating activities | | 114,543 | 135,125 | (3,497) | (3,721) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Acquisition of property, vessels and equipment | 4 | (23,039) | (53,635) | (27) | (15) |
| Proceeds from disposal of property, vessels and equipment | | 53,410 | - | - | - |
| Repayments from/(advances to) subsidiaries | | - | - | 3,986 | (456) |
| (Purchase)/Disposal of other investments | | (594) | 4,410 | (594) | 4,410 |
| Withdrawal in pledged deposits | | 471 | 138 | - | - |
| Net cash generated from/(used in) investing activities | | 30,248 | (49,087) | 3,365 | 3,939 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Repayments of borrowings | | (66,513) | (50,292) | - | - |
| Payment of finance costs | | (34,519) | (34,172) | - | - |
| Payments of lease liabilities | 5 | (857) | (577) | (203) | (166) |
| Net cash used in financing activities | | (101,889) | (85,041) | (203) | (166) |
| Net increase/(decrease) in cash and cash equivalents | | 42,902 | 997 | (335) | 52 |
| Effect of exchange rate fluctuations on cash held | | 547 | (155) | - | - |
| Cash and cash equivalents at beginning of year | | 22,747 | 21,905 | 3,750 | 3,698 |
| Cash and cash equivalents at end of year | 10 | 66,196 | 22,747 | 3,415 | 3,750 |

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2024

1. CORPORATE INFORMATION

Marine & General Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Level 23, Plaza VADS
No.1, Jalan Tun Mohd Fuad
Taman Tun Dr Ismail
60000 Kuala Lumpur

Registered office

Level 22, Axiata Tower
No.9, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 30 April 2024 comprise those of the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the year ended 30 April 2024 do not include other entities. These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 30 August 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous year except for the effects of adoption of new MFRSs and Amendments during the financial year. The new MFRSs and Amendments adopted during the financial year are disclosed in Note 30 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements and on the assumption that the Group and the Company will continue on a going concern basis.

4. PROPERTY, VESSELS AND EQUIPMENT

| | Buildings RM'000 | Vessels equipment (Subject to operating lease) RM'000 | Vessels equipment (Subject to operating lease) RM'000 | Dry docking expenditure (Subject to operating lease) RM'000 | Work-in- progress RM'000 | Motor vehicles and boat RM'000 | Renovations RM'000 | Computer system, furniture, fittings and other equipment RM'000 | Total RM'000 |
|--|---------------------|--|--|--|--------------------------------|---|-----------------------|---|-----------------|
| Cost | | | | | | | | | |
| At 1 May 2022 | 940 | 1,839,988 | 4,505 | 137,989 | 8,070 | 3,200 | 1,357 | 2,930 | 1,998,979 |
| Additions | - | 4,051 | - | 11,541 | 29,331 | 80 | - | 175 | 45,178 |
| Reclassification | - | - | - | 34,095 | (34,095) | - | - | - | - |
| Effect of movement in exchange rate | - | 4,751 | - | 3,455 | - | 8 | - | 5 | 8,219 |
| At 30 April 2023/1 May 2023 | 940 | 1,848,790 | 4,505 | 187,080 | 3,306 | 3,288 | 1,357 | 3,110 | 2,052,376 |
| Additions | - | - | - | 6,343 | 16,417 | 124 | 39 | 116 | 23,039 |
| Reclassification | - | - | - | 14,782 | (14,782) | - | - | - | - |
| Disposal | - | (44,770) | - | (14,572) | - | - | - | - | (59,342) |
| Write-off | - | - | - | - | (17) | - | - | - | (17) |
| Effect of movement in exchange rate | - | 15,259 | - | 3,195 | - | 24 | - | 19 | 18,497 |
| At 30 April 2024 | 940 | 1,819,279 | 4,505 | 196,828 | 4,924 | 3,436 | 1,396 | 3,245 | 2,034,553 |

4. PROPERTY, VESSELS AND EQUIPMENT (CONT'D)

| Group | Buildings | | Vessels equipment (Subject to operating lease) | | Vessels Dry docking expenditure (Subject to operating lease) | | Work-in-progress | | Motor vehicles and boat Renovations | | Computer system, furniture, fittings and other equipment | | Total |
|---|-----------|-----------|--|---------|--|--------|------------------|--------|-------------------------------------|--------|--|--------|--------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Accumulated depreciation and impairment loss | | | | | | | | | | | | | |
| At 1 May 2022 | 366 | 897,050 | 4,505 | 84,070 | - | 2,936 | 1,198 | 2,819 | 992,944 | | | | |
| Accumulated depreciation | 366 | 1,170,774 | 4,505 | 97,233 | - | 2,936 | 1,198 | 2,819 | 1,279,831 | | | | |
| Accumulated impairment loss | 19 | 48,309 | - | 21,416 | - | 132 | 57 | 117 | 70,050 | | | | |
| Charge for the year | - | 2,878 | - | - | - | - | - | - | 2,878 | | | | |
| Impairment loss | - | (45,049) | - | (207) | - | - | - | - | (45,256) | | | | |
| Reversal of impairment loss | - | | - | | - | | - | | | | | | |
| Effect of movement in exchange rates | - | 797 | - | 415 | - | 5 | - | 2 | 1,219 | | | | |
| - Depreciation | - | 321 | - | (12) | - | - | - | - | 309 | | | | |
| - Impairment loss | | | | | | | | | | | | | |
| At 30 April 2023/1 May 2023 | 385 | 946,156 | 4,505 | 105,901 | - | 3,073 | 1,255 | 2,938 | 1,064,213 | | | | |
| Accumulated depreciation | - | 231,874 | - | 12,944 | - | - | - | - | 244,818 | | | | |
| Accumulated impairment loss | 385 | 1,178,030 | 4,505 | 118,845 | - | 3,073 | 1,255 | 2,938 | 1,309,031 | | | | |

4. PROPERTY, VESSELS AND EQUIPMENT (CONT'D)

| | Buildings | | Vessels operating (Subject to lease) | | Vessels equipment operating (Subject to lease) | | Vessels Dry docking expenditure (Subject to operating lease) | | Work-in-progress | | Motor vehicles and boat Renovations | | Computer system, furniture, fittings and other equipment | | Total |
|--|-----------|-----------|--------------------------------------|---------|--|--------|--|--------|------------------|--------|-------------------------------------|--------|--|--------|-------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Accumulated depreciation and impairment loss (cont'd) | | | | | | | | | | | | | | | |
| At 1 May 2023 | 385 | 1,178,030 | 4,505 | 118,845 | - | 3,073 | 1,255 | 2,938 | 1,309,031 | | | | | | |
| Charge for the year | 19 | 53,433 | - | 25,831 | - | 230 | 59 | 104 | 79,676 | | | | | | |
| Impairment loss | - | 2,232 | - | - | - | - | - | - | 2,232 | | | | | | |
| Reversal of impairment loss | - | (27,992) | - | - | - | - | - | - | (27,992) | | | | | | |
| Reclassification | - | 3,889 | - | (3,743) | - | - | (142) | (4) | - | | | | | | |
| Disposal | - | (14,555) | - | (6,448) | - | - | - | - | (21,003) | | | | | | |
| - Depreciation | - | (2,464) | - | (250) | - | - | - | - | (2,714) | | | | | | |
| Effect of movement in exchange rates | - | 2,791 | - | 2,028 | - | 22 | - | 10 | 4,851 | | | | | | |
| - Depreciation | - | 864 | - | 16 | - | - | - | - | 880 | | | | | | |
| - Impairment loss | | | | | | | | | | | | | | | |
| At 30 April 2024 | 404 | 991,714 | 4,505 | 123,569 | - | 3,325 | 1,172 | 3,048 | 1,127,737 | | | | | | |
| Accumulated depreciation | - | 204,514 | - | 12,710 | - | - | - | - | 217,224 | | | | | | |
| Accumulated impairment loss | 404 | 1,196,228 | 4,505 | 136,279 | - | 3,325 | 1,172 | 3,048 | 1,344,961 | | | | | | |
| Carrying amounts | | | | | | | | | | | | | | | |
| At 30 April 2023/1 May 2023 | 555 | 670,760 | - | 68,235 | 3,306 | 215 | 102 | 172 | 743,345 | | | | | | |
| At 30 April 2024 | 536 | 623,051 | - | 60,549 | 4,924 | 111 | 224 | 197 | 689,592 | | | | | | |

4. PROPERTY, VESSELS AND EQUIPMENT (CONT'D)

| Company | Motor vehicles RM'000 | Computer system, furniture, fittings and other equipment RM'000 | Renovations RM'000 | Total RM'000 |
|---------------------------------|--------------------------|--|-----------------------|-----------------|
| Cost | | | | |
| At 1 May 2022 | 159 | 132 | 562 | 853 |
| Additions | - | 15 | - | 15 |
| At 30 April 2023/1 May 2023 | 159 | 147 | 562 | 868 |
| Additions | - | 27 | - | 27 |
| At 30 April 2024 | 159 | 174 | 562 | 895 |
| Accumulated depreciation | | | | |
| At 1 May 2022 | 159 | 109 | 262 | 530 |
| Charge for the year | - | 16 | 56 | 72 |
| At 30 April 2023/1 May 2023 | 159 | 125 | 318 | 602 |
| Charge for the year | - | 16 | 56 | 72 |
| At 30 April 2024 | 159 | 141 | 374 | 674 |
| Carrying amounts | | | | |
| At 30 April 2023/1 May 2023 | - | 22 | 244 | 266 |
| At 30 April 2024 | - | 33 | 188 | 221 |

- (a) All items of property, vessels and equipment are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. After initial recognition, property, vessels and equipment are stated at cost less any accumulated depreciation and any impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

| | |
|--|-----------------|
| Buildings | 50 years |
| Vessels | 20 - 25 years |
| Vessels equipment | 5 years |
| Drydocking expenditure | 5 years |
| Motor vehicles and boat | 4 - 10 years |
| Renovations | 10 years |
| Computer system, furniture, fittings and other equipment | 1 2/3 - 5 years |

Work in progress represents drydocking of vessels and are not depreciated until the assets are ready for their intended use.

4. PROPERTY, VESSELS AND EQUIPMENT (CONT'D)

- (b) Certain property, vessels and equipment of the Group are charged as securities for borrowings as disclosed in Note 12 to the financial statements.
- (c) During the financial year, the Group and the Company made the following cash payments to purchase property, vessels and equipment:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Purchase of property, vessels and equipment | 23,039 | 53,635 | 27 | 15 |

- (d) The Group assessed the recoverable amounts of its vessels due to instability and fluctuation of the oil price.

The recoverable amounts of vessels were determined based on fair value less cost of disposal, which was determined based on the market comparable approach that reflects recent transaction prices for similar vessels, with similar age and specifications. The fair value measurement of the vessels was performed by independent valuer not connected with the Group, who has appropriate qualifications and recent experience in the fair value measurement of the vessels in the relevant sector. In valuing the vessels, the independent valuer had taken into consideration the prevailing market conditions and have made adjustments for differences such as age, size and specification where necessary before arriving at the most appropriate fair value for the vessels.

Key assumptions applied by the independent valuer in measuring the fair value:

- i. Valuation based on comparison to market value of the type of vessel fitted with the same fittings/equipment of similar nature or as closed in similarity of which recently transacted around the region.
- ii. Full equipment, full valid class/trading certificates and in operational condition.
- iii. Free of charter commitment and to be freely transferable.
- iv. Useful lives and residual values.

The fair value measurement is classified within Level 3 of the fair value hierarchy.

Following the assessment on the recoverable amount of all vessels, the Group has recognised an impairment loss of RM2,232,000 (2023: RM2,878,000) within the other expenses in the consolidated statement of profit or loss and reversed impairment loss of RM27,992,000 (2023: RM45,256,000) within other income in the consolidated statement of profit or loss for certain vessels during the financial year.

4. PROPERTY, VESSELS AND EQUIPMENT (CONT'D)

- (e) The Group leases its vessels including vessels equipment (including capitalised drydocking expenditure) to third parties. The leases contain short and long-term contracts where the period ranges from 1 month to 3 years. Subsequent renewals are negotiated with the lessee.

The Group generally does not require a financial guarantee on the lease agreement.

The Group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the vessels.

The following are recognised in profit or loss:

| Group | 2024 RM'000 | 2023 RM'000 |
|----------------|----------------|----------------|
| Leasing income | 271,222 | 221,212 |

The operating lease payments to be received are as follows:

| Group | 2024 RM'000 | 2023 RM'000 |
|-----------------------------------|----------------|----------------|
| Less than one year | 67,304 | 119,347 |
| One to two years | - | 534 |
| Total undiscounted lease receipts | 67,304 | 119,881 |

- (f) In the previous financial year, the Group had increased the estimated economic useful life of the offshore support vessels (“OSV”) from 15 years to 20 years based on the expected period of future economic benefits of the vessel, which was also aligned with the industry practice of such vessels’ service life. As a result, OSV vessels that management previously intend to sell upon reaching 15 years of service, will remain in service until they reach 20 years, whilst the vessels residual value decreases in line with the extended service period. The effect of these changes in the estimated economic useful life of the OSV on depreciation expense, recognised in the cost of sales in the current and future periods were as follows:

| | 2023 RM'000 | 2024 RM'000 | 2025 RM'000 | 2026 RM'000 | 2027 RM'000 | Later RM'000 |
|---|----------------|----------------|----------------|----------------|----------------|-----------------|
| Vessel depreciation | | | | | | |
| a. Before change in the service life | 74,638 | 69,762 | 62,758 | 53,275 | 33,599 | 50,469 |
| b. After change in the service life | 38,407 | 38,407 | 38,407 | 38,407 | 38,407 | 193,241 |
| Effect of the change in estimated vessel service life | 36,231 | 31,355 | 24,351 | 14,868 | (4,808) | (142,772) |

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group and the Company as lessee

Right-of-use assets

| Group | Buildings RM'000 | Vessel bandwidth equipment RM'000 | Total RM'000 |
|-------------------------------------|---------------------|--|-----------------|
| At 1 May 2022 | 1,614 | 561 | 2,175 |
| Addition | 142 | - | 142 |
| Remeasurement | (4) | - | (4) |
| Depreciation | (541) | (595) | (1,136) |
| Effect of movement in exchange rate | 18 | 306 | 324 |
| | 1,229 | 272 | 1,501 |
| At 30 April 2023/1 May 2023 | 1,229 | 272 | 1,501 |
| Addition | 537 | - | 537 |
| Reassessment/remeasurement | 1,465 | - | 1,465 |
| Depreciation | (618) | (185) | (803) |
| Effect of movement in exchange rate | 50 | 16 | 66 |
| | 2,663 | 103 | 2,766 |
| At 30 April 2024 | 2,663 | 103 | 2,766 |

| Company | Building RM'000 |
|-----------------------------|--------------------|
| At 1 May 2022 | 674 |
| Depreciation | (165) |
| At 30 April 2023/1 May 2023 | 509 |
| Reassessment | 560 |
| Depreciation | (175) |
| At 30 April 2024 | 894 |

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (cont'd)

Lease liabilities

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Balance as at 1 May | 1,787 | 2,364 | 574 | 739 |
| Addition | 537 | 142 | - | - |
| Reassessment/remeasurement | 1,332 | - | 560 | - |
| Lease payments | (857) | (707) | (203) | (201) |
| Interest expense | 144 | 130 | 51 | 36 |
| Effect of movement in exchange rate | 75 | (142) | - | - |
| Balance as at 30 April | <u>3,018</u> | <u>1,787</u> | <u>982</u> | <u>574</u> |
| Represented by: | | | | |
| Current liabilities | 664 | 1,022 | 161 | 176 |
| Non-current liabilities | 2,354 | 765 | 821 | 398 |
| | <u>3,018</u> | <u>1,787</u> | <u>982</u> | <u>574</u> |
| Lease liabilities owing to non-financial institutions | <u>3,018</u> | <u>1,787</u> | <u>982</u> | <u>574</u> |

- (a) The Group and the Company leases a number of office buildings and vessel equipment in the location which it operates. The leases typically run for a period of three (3) to six (6) years, with an option to renew the lease after that date. The lease payments are fixed as stipulated in the tenancy agreement during its tenancy period.

In addition, the Group and the Company has certain leases of office equipment with lease term of 12 months or less, and low value leases of office equipment. The Group and the Company applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

- (b) The right-of-use asset are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease of the lease liabilities.

The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful life of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

| | |
|----------------------------|--------------|
| Buildings | 3 to 6 years |
| Vessel bandwidth equipment | 3 years |

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (cont'd)

Lease liabilities (cont'd)

(c) The following are the amounts recognised in profit or loss:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses) | 803 | 1,136 | 175 | 165 |
| Interest expense on lease liabilities (included in finance costs) | 144 | 136 | 51 | 36 |
| Expenses relating to short-term leases (included in administrative expenses) | 5,421 | 20,624 | - | - |
| Expenses relating to lease of low-value assets (included in administrative expenses) | 108 | 150 | 4 | 5 |
| Gain on reassessment/remeasurement of lease liabilities | 133 | - | - | - |
| | <u>6,609</u> | <u>22,046</u> | <u>230</u> | <u>206</u> |

(d) The following are total cash outflows for leases as a lessee:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Included in net cash from operating activities: | | | | |
| Payment relating to short-term leases | 5,421 | 20,624 | - | - |
| Payment relating to leases of low-value assets | 108 | 150 | 4 | 5 |
| Included in net cash from financing activities: | | | | |
| Payment of lease liabilities | 857 | 707 | 203 | 201 |
| | <u>6,386</u> | <u>21,481</u> | <u>207</u> | <u>206</u> |

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (cont'd)

Lease liabilities (cont'd)

- (e) The following table summarises the weighted average incremental borrowing rate as at the end of the reporting date and maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

| | Incremental borrowing rate per annum % | On demand or within one year RM'000 | One to five years RM'000 | Over five years RM'000 | Total RM'000 |
|-------------------|--|--|--------------------------------|------------------------------|-----------------|
| 2024 | | | | | |
| Group | | | | | |
| Lease liabilities | 4.99 - 5.04 | 809 | 2,420 | 32 | 3,261 |
| Company | | | | | |
| Lease liabilities | 4.99 | 206 | 911 | - | 1,117 |
| 2023 | | | | | |
| Group | | | | | |
| Lease liabilities | 5.39 - 6.20 | 787 | 1,085 | - | 1,872 |
| Company | | | | | |
| Lease liabilities | 5.39 | 202 | 421 | - | 623 |

- (f) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rate of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based in prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.
- (g) Lease liabilities are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

6. INVESTMENTS IN SUBSIDIARIES

| | Company | |
|-------------------------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Unquoted shares, at cost | 490,305 | 490,305 |
| Less: Accumulated impairment losses | (331,424) | (372,972) |
| | 158,881 | 117,333 |

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be initially measured at fair value on the acquisition date, unless another measurement basis is required by MFRSs. The choice of the measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) Details of the subsidiaries are as follows:

| Name of subsidiaries | Principal place of business/ Country of incorporation | Effective ownership interest | | Principal activities |
|---|--|------------------------------|-----------|---|
| | | 2024 % | 2023 % | |
| Held by the Company: | | | | |
| AQL Aman Sdn. Bhd. ("AQL") | Malaysia | 100 | 100 | Investment holding |
| M&G Marine Logistics Holdings Sdn. Bhd. ("MGMLH") | Malaysia | 100 | 100 | Investment holding |
| Jasamerin Energy Ventures Sdn. Bhd. ("JMEV") | Malaysia | 51 | 51 | Dormant |
| M&G Marine Services Sdn. Bhd. ("MGMS") | Malaysia | 100 | 100 | Dormant |
| Held through AQL: | | | | |
| Jasa Merin (Malaysia) Sdn. Bhd. ("Jasa Merin") | Malaysia | 70 | 70 | Provision of offshore marine support services |
| Held through Jasa Merin: | | | | |
| JM Global 1 (Labuan) Plc ("JMG1") | Malaysia | 70 | 70 | Provision of offshore marine support services |
| JM Global 2 (Labuan) Plc ("JMG2") | Malaysia | 70 | 70 | Provision of offshore marine support services |
| JM Global 3 (Labuan) Plc ("JMG3") | Malaysia | 70 | 70 | Provision of offshore marine support services |
| JM Global 4 (Labuan) Plc ("JMG4") | Malaysia | 70 | 70 | Provision of offshore marine support services |
| Held through MGMLH: | | | | |
| Jasa Merin (Labuan) Plc ("JML") | Malaysia | 100 | 100 | Provision of marine logistics services |
| M&G Tankers Sdn. Bhd. ("MGTSB") | Malaysia | 100 | 100 | Investment holding and provision of marine logistics services |

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows: (cont'd)

| Name of subsidiaries | Principal place of business/ Country of incorporation | Effective ownership interest | | Principal activities |
|--|--|------------------------------|-----------|---|
| | | 2024 % | 2023 % | |
| Held through MGMLH: (cont'd) | | | | |
| M&G Sutera 8 Sdn. Bhd. ("MGS8") | Malaysia | 60 | 60 | Provision of marine logistics services |
| Jasa Merin Ship Management Sdn. Bhd. ("JMSM") | Malaysia | 100 | 100 | Provision of tanker management services |
| Held through MGTSB: | | | | |
| TKH Marine (L) Ltd. ("TKH") | Malaysia | 100 | 100 | Provision of marine logistics services |

* All the subsidiaries are audited by BDO PLT.

(c) The Group's subsidiaries that have non-controlling interests ("NCI") are as follows:

| 2024 | NCI percentage of ownership interest % | Carrying amount of NCI RM'000 | Profit/(Loss) allocated to NCI RM'000 |
|--|---|----------------------------------|--|
| | | | |
| Name of subsidiaries | | | |
| Jasa Merin (Malaysia) Sdn. Bhd. and subsidiaries ("Jasa Merin Group") | 30 | (65,749) | 19,167 |
| MGS8 | 40 | 23,963 | 1,604 |
| Immaterial NCI | | | |
| Name of subsidiary | | | |
| JMEV | 49 | 1 | (43) |
| | | <u>(41,785)</u> | <u>20,728</u> |

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The Group's subsidiaries that have non-controlling interests ("NCI") are as follows: (cont'd)

| 2023 | NCI percentage of ownership interest % | Carrying amount of NCI RM'000 | Profit/(Loss) allocated to NCI RM'000 |
|-----------------------------|--|--|--|
| Material NCI | | | |
| Name of subsidiaries | | | |
| Jasa Merin Group | 30 | (84,916) | 20,007 |
| MGS8 | 40 | 20,867 | 1,070 |
| Immaterial NCI | | | |
| Name of subsidiary | | | |
| JMEV | 49 | 44 | (43) |
| | | (64,005) | 21,034 |

(d) Summarised financial information before intra-group elimination are as follows:

| | Jasa Merin Group RM'000 | MGS8 RM'000 | JMEV RM'000 | Total RM'000 |
|---|-------------------------------|----------------|----------------|-----------------|
| As at 30 April 2024 | | | | |
| Non-current assets | 546,971 | 51,693 | - | 598,664 |
| Current assets | 131,258 | 10,964 | 12 | 142,234 |
| Non-current liabilities | (551,450) | - | - | (551,450) |
| Current liabilities | (142,877) | (2,736) | (10) | (145,623) |
| Other equity | (203,064) | - | - | (203,064) |
| Net (liabilities)/assets | (219,162) | 59,921 | 2 | (159,239) |
| Year ended 30 April 2024 | | | | |
| Revenue | 265,920 | 12,403 | - | 278,323 |
| Profit/(Loss) for the year | 63,889 | 4,010 | (87) | 67,812 |
| Total comprehensive income/(loss) for the financial year | 63,889 | 7,750 | (87) | 71,552 |

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Summarised financial information before intra-group elimination are as follows: (cont'd)

| | Jasa Merin Group RM'000 | MGS8 RM'000 | JMEV RM'000 | Total RM'000 |
|---|-------------------------------|----------------|----------------|-----------------|
| Year ended 30 April 2024 (cont'd) | | | | |
| Cash flows from/(used in) operating activities | 132,026 | 7,345 | (89) | 139,282 |
| Cash flows used in investing activities | (16,083) | (544) | - | (16,627) |
| Cash flows used in financing activities | (84,693) | - | - | (84,693) |
| Net increase/(decrease) in cash and cash equivalents | 31,250 | 6,801 | (89) | 37,962 |
| Dividend paid to NCI | - | - | - | - |
| As at 30 April 2023 | | | | |
| Non-current assets | 567,396 | 49,186 | - | 616,582 |
| Current assets | 91,698 | 4,640 | 102 | 96,440 |
| Non-current liabilities | (611,554) | - | - | (611,554) |
| Current liabilities | (127,527) | (1,657) | (12) | (129,196) |
| Other equity | (203,064) | - | - | (203,064) |
| Net (liabilities)/assets | (283,051) | 52,169 | 90 | (230,792) |
| Year ended 30 April 2023 | | | | |
| Revenue | 225,126 | 11,333 | - | 236,459 |
| Profit/(Loss) for the year | 66,689 | 2,675 | (87) | 69,277 |
| Total comprehensive income/(loss) for the financial year | 66,689 | 3,778 | (87) | 70,380 |
| Cash flows from/(used in) operating activities | 109,441 | 2,408 | (82) | 111,767 |
| Cash flows used in investing activities | (34,426) | (667) | - | (35,093) |
| Cash flows used in financing activities | (40,959) | (77) | - | (41,036) |
| Net increase/(decrease) in cash and cash equivalents | 34,056 | 1,664 | (82) | 35,638 |
| Dividend paid to NCI | - | - | - | - |

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) Impairment review of investment in subsidiaries

The Company reviews the investments in subsidiaries when there is an indication of impairment. During the financial year, certain subsidiaries of the Company recorded a net loss and have deficit in shareholders' fund.

Due to the presence of impairment indicators arising from the operations of these subsidiaries, the Company has undertaken impairment assessments on investments in subsidiaries.

The recoverable amount of the impaired subsidiary was determined based on fair value less cost of disposal ("FVLCOB"), which were determined by reference to the underlying net assets of the subsidiaries or the value-in-use of the respective subsidiaries. The Company used the fair value of the vessels owned by indirect subsidiaries as well as other assets and liabilities, which were held through the impaired subsidiary to estimate the recoverable amount of the cost of investment in the subsidiary.

The Company had recognised net reversal of impairment loss of RM41,548,000 (2023: RM5,000,000) within other income in the statement of profit or loss of the Company for investment in a subsidiary during the financial year.

The fair value of the vessels was determined based on valuation performed by an independent valuer using the market approach, including consideration of recent market transactions of vessels of similar type and age. The fair value was based on key assumptions as disclosed in Note 4(d) to the financial statements.

The valuation technique is therefore classified as Level 3 of the fair value hierarchy.

7. INVENTORIES

| | Group | |
|--------------------------------|--------|--------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| At cost | | |
| Vessels spare parts | 966 | 783 |
| At net realisable value | | |
| Fuel | 15,320 | 14,648 |
| | 16,286 | 15,431 |

(a) Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition is determined using the first-in, first-out method. The cost comprises all direct and indirect costs.

(b) During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM2,150,000 (2023: RM922,000). The Group has also written down inventories by RM1,379,000 (2023: Nil) to their net realisable value.

8. OTHER INVESTMENTS

| | Group and Company | |
|--|-------------------|--------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |

| | | |
|---|-------|-------|
| Financial assets at fair value through profit or loss | 8,918 | 8,324 |
|---|-------|-------|

- (a) Other investments are classified as financial assets measured at fair value through profit or loss.
- (b) The interest rate profile of the other investments as at the end of each reporting period are as follows:

| | Group and Company | |
|--|-------------------|--------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |

| | | |
|---------------|-------|-------|
| Floating rate | 8,918 | 8,324 |
|---------------|-------|-------|

- (c) Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

| Group and Company | Profit after tax and equity | | | |
|-------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | | 2023 | |
| | 1% Increase RM'000 | 1% Decrease RM'000 | 1% Increase RM'000 | 1% Decrease RM'000 |

| | | | | |
|---------------------------|----|------|----|------|
| Floating rate instruments | 68 | (68) | 63 | (63) |
|---------------------------|----|------|----|------|

- (d) The fair value of other investments of the Group and of the Company are categorised as Level 2 in the fair value hierarchy. Fair value of other investments is quoted by the fund manager.

There is no transfer between levels of hierarchy during the financial year.

9. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Trade | | | | |
| Charter hire income from national oil corporation | 51,721 | 17,007 | - | - |
| Charter hire income from multinational oil corporations | 18,440 | 32,942 | - | - |
| Other trade receivables | 676 | 3,718 | - | - |
| Less: Impairment loss | (4,231) | (3,546) | - | - |
| | <u>66,606</u> | <u>50,121</u> | <u>-</u> | <u>-</u> |
| Non-trade | | | | |
| Amounts due from subsidiaries | - | - | 932 | 4,743 |
| Other receivables | 668 | 8,850 | - | - |
| Staff advances | 100 | 113 | - | - |
| Prepayments | 3,332 | 3,584 | 94 | 83 |
| Deposits | 356 | 2,657 | 124 | 124 |
| Less: Impairment loss | - | - | (15) | (338) |
| | <u>4,456</u> | <u>15,204</u> | <u>1,135</u> | <u>4,612</u> |
| | <u>71,062</u> | <u>65,325</u> | <u>1,135</u> | <u>4,612</u> |

- (a) Trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Amounts due from subsidiaries, net of impairment loss, represent advances, dividends, fees and interest receivable. The amount is unsecured and is repayable on demand.
- (c) In the previous financial year, other receivables of the Group mainly comprised insurance claim receivables for repair and maintenance of vessels amounting to RM4,900,000.
- (d) Currency exposure profile of trade and other receivables are disclosed in Note 26(c) to the financial statements.

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Recognition and measurement of impairment loss

(i) Trade receivables

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group are exposed to credit risk.

The Group uses an allowance matrix to measure expected credit loss ("ECL") of trade receivables.

Loss rates are calculated using a 'roll rate' method on the probability of a receivable progressing through successive stages of delinquency to being written off.

Loss rates are based on actual credit loss experience over the past two years. The Group also considers differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information (i.e. Gross Domestic Product, crude oil prices and inflation) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying amount of the asset would be written off against the associated impairment.

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Group's debt recovery process is as follows:

- (a) Above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team; and
- (b) Above 365 days past due, the Group will commence a legal proceeding against the customer.

Significant judgement is required in determining the probability of default by trade receivables, and the appropriate forward looking information.

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Recognition and measurement of impairment loss (cont'd)

(i) Trade receivables (cont'd)

The following table provides information about the exposure to credit risk and ECLs which are grouped together as they are expected to have similar risk nature.

| Group | Gross carrying amount RM'000 | Loss allowance RM'000 | Net balance RM'000 |
|----------------------------|---|----------------------------------|-------------------------------|
| 2024 | | | |
| Current (not past due) | 67,503 | (1,574) | 65,929 |
| 1 - 30 days past due | 678 | (6) | 672 |
| 31 - 60 days past due | 6 | (1) | 5 |
| 61 - 90 days past due | - | - | - |
| More than 90 days past due | 2,650 | (2,650) | - |
| | <u>70,837</u> | <u>(4,231)</u> | <u>66,606</u> |
| 2023 | | | |
| Current (not past due) | 50,995 | (908) | 50,087 |
| 1 - 30 days past due | - | - | - |
| 31 - 60 days past due | - | - | - |
| 61 - 90 days past due | - | - | - |
| More than 90 days past due | 2,672 | (2,638) | 34 |
| | <u>53,667</u> | <u>(3,546)</u> | <u>50,121</u> |

The movements in the allowance for impairment are as follows:

| Group | Lifetime ECL RM'000 | Credit impaired RM'000 | Total RM'000 |
|-------------------------------------|--------------------------------|-----------------------------------|-------------------------|
| At at 1 May 2022 | 34 | 4,284 | 4,318 |
| Net remeasurement of loss allowance | 874 | (1,646) | (772) |
| At 30 April 2023/1 May 2023 | 908 | 2,638 | 3,546 |
| Net remeasurement of loss allowance | (234) | 919 | 685 |
| At 30 April 2024 | <u>674</u> | <u>3,557</u> | <u>4,231</u> |

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Recognition and measurement of impairment loss (cont'd)

(ii) Other receivables

Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach of MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probability of non-payment by other receivables and inter-company balances are adjusted by forward-looking information (i.e. Gross Domestic Product, crude oil prices and inflation) and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and inter-company balances.

Carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

No expected credit losses are recognised arising from other receivables of the Group and Company because the probability of default by other receivables is negligible.

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Recognition and measurement of impairment loss (cont'd)

(iii) Inter-company balances

Impairment for amounts owing by subsidiaries are recognised based on the general approach of MFRS 9 as disclosed in Note 9(e)(ii) to the financial statements.

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan and advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances as at the end of reporting year.

| Company | Gross carrying amount RM'000 | Impairment loss allowance RM'000 | Net balance RM'000 |
|-----------------|---------------------------------|-------------------------------------|-----------------------|
| 2024 | | | |
| Credit impaired | 932 | (15) | 917 |
| 2023 | | | |
| Credit impaired | 4,743 | (338) | 4,405 |

9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) Recognition and measurement of impairment loss (cont'd)
- (iii) Inter-company balances (cont'd)

The movement in the allowance for impairment in respect of subsidiaries' loans and advances during the financial year is as follows:

| Company | Credit impaired RM'000 |
|--|-----------------------------------|
| Balance at 1 May 2022/30 April 2023 | <u>338</u> |
| Balance at 1 May 2023 | 338 |
| Net remeasurement of loss allowance | <u>(323)</u> |
| Balance at 30 April 2024 | <u>15</u> |

10. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Cash and cash equivalents | 45,776 | 15,430 | 194 | 587 |
| Deposits placed with licensed banks | <u>21,625</u> | <u>8,993</u> | <u>3,221</u> | <u>3,163</u> |
| | <u>67,401</u> | <u>24,423</u> | <u>3,415</u> | <u>3,750</u> |

- (a) Total cash and cash equivalents are classified as financial assets measured at amortised cost.
- (b) Deposits placed with licensed banks of the Group amounting to RM1,205,000 (2023: RM1,676,000) are pledged as securities for banking facilities granted to the Group.
- (c) Currency exposure profile of cash and cash equivalents are disclosed in Note 26(c) to the financial statements.

10. CASH AND CASH EQUIVALENTS (CONT'D)

- (d) The interest rate profile of the deposits placed with licensed banks as at the end of each reporting period is as follows:

| | Group | | Company | |
|------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Fixed rate | 21,625 | 8,993 | 3,221 | 3,163 |

Sensitivity analysis for fixed rate deposits placed with licensed banks at the end of the reporting period is not presented as they are not affected by changes in interest rates.

- (e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

| | Group | | Company | |
|-------------------------------------|-------------------|-------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Cash and bank balances | 45,776 | 15,430 | 194 | 587 |
| Deposits placed with licensed banks | 21,625 | 8,993 | 3,221 | 3,163 |
| Less: Pledged deposits | 67,401 (1,205) | 24,423 (1,676) | 3,415 - | 3,750 - |
| | 66,196 | 22,747 | 3,415 | 3,750 |

- (f) No expected credit losses were recognised arising from the deposits with licensed banks because of the probability of default by these licensed banks were negligible.

11. SHARE CAPITAL, REVERSE ACQUISITION DEFICIT, CAPITAL RESERVE, OTHER RESERVE AND PREFERENCE SHARES OF A SUBSIDIARY

| Group and Company | 2024 | | 2023 | |
|---|-----------------------------|------------------|-----------------------------|------------------|
| | Number of shares '000 | Amount RM'000 | Number of shares '000 | Amount RM'000 |
| Issued and fully paid ordinary shares with no par value classified as equity instruments: | | | | |
| Ordinary shares | 723,879 | 270,003 | 723,879 | 270,003 |

11. SHARE CAPITAL, REVERSE ACQUISITION DEFICIT, CAPITAL RESERVE, OTHER RESERVE AND PREFERENCE SHARES OF A SUBSIDIARY (CONT'D)

- (a) 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.
- (b) Reverse acquisition deficit arose from the reverse acquisition of the Company by AQL.

The acquisition of AQL was completed on 14 October 2009. Pursuant to Appendix B of MFRS 3 - *Business Combinations*, this acquisition was deemed a reverse acquisition arrangement. Due to the application of MFRS 3 rules relating to reverse acquisitions, AQL, the legal subsidiary, became the acquirer of the Group for accounting purposes. Accordingly, the consolidated financial statements have been prepared as a continuation of the financial statements of AQL, but under the name of the Company, the legal parent.

Capital reserve arose from capital reduction exercise in prior years.

- (c) Preference shares of a subsidiary

Pursuant to the debt restructuring scheme, Jasa Merin, a subsidiary held through AQL, issued 150,000,000 convertible irredeemable preference shares ("CPS") to its lenders.

The salient features of the CPS are as follows:

- (i) The CPS shall confer on the holder of a CPS in the Jasa Merin's register of CPS to a non-cumulative preferential dividend at a rate to be determined by the Board of Jasa Merin, based on the capital for the time being paid up or credited as paid up on the CPS to be paid, subject to availability of distributable profits and applicable laws, provided always that the secured term loan (see Note 12(a) to the financial statements) shall have been fully satisfied by Jasa Merin.
- (ii) The CPS shall not carry any right to vote at any general meeting of Jasa Merin except for the right to vote in person or by proxy or by attorney at such meeting as a separate class in each of the following circumstances:
 - (a) On a proposal that affects the rights attached to the CPS, including but not limited to a proposal to reduce the dividend payable, to alter the priority of payment in any distribution of assets in the event of liquidation, dissolution or winding-up of Jasa Merin or to issue further preference shares ranking *pari passu* or in priority to the CPS (other than the CN-RPS);
 - (b) On a proposal to wind up Jasa Merin; and
 - (c) During the winding up of Jasa Merin
- (iii) The CPS shall rank *pari passu* in all respects amongst themselves, and, as regards dividends and/or other distributions which may be declared, made or paid in respect of such shares, in priority to all other classes of shares of Jasa Merin, other than the cumulative non-convertible redeemable preferences shares ("CN-RPS"). Jasa Merin shall not pay or distribute any dividends and/or other distributions of the CPS unless the holder of a CN-RPS in the Jasa Merin's register of CN-RPS then outstanding shall simultaneously receive any accrued and unpaid dividends and/or other distributions in respect of the CN-RPS.

11. SHARE CAPITAL, REVERSE ACQUISITION DEFICIT, CAPITAL RESERVE, OTHER RESERVE AND PREFERENCE SHARES OF A SUBSIDIARY (CONT'D)

(c) Preference shares of a subsidiary (cont'd)

The salient features of the CPS are as follows: (cont'd)

- (iv) The CPS holder shall have the right at any time to exchange the CPS held into such number of fully paid new ordinary shares in Marine & General Berhad ("M&G") as is determined based on the CPS exchange rate. For the avoidance of doubt, any remaining CPS held by CPS Holder on the tenth (10th) anniversary of the date of issuance of the CPS shall be automatically exchanged to new ordinary shares in M&G.
- (v) The exchange rate of the CPS is RM1.00 value of the CPS for such number of new ordinary shares in M&G representing an equivalent value based on the exercise price of RM0.10 per ordinary share of M&G. The exchange rate of the CPS will not require any cash payment from the CPS holders. The CPS holder shall, upon electing to exchange the CPS for new ordinary shares in M&G, exchange the requisite number of CPS with M&G. Any fraction of new ordinary shares of M&G resulting from such exchange shall be disregarded and M&G shall not be required to pay the value of such fraction to be relevant holders of the CPS nor issue any certificate for such fraction.

The CPS was measured at its fair value upon its initial recognition as part of the extinguishment of the existing loan and borrowings in accordance to *IFRIC 19 Extinguishing Financial Liabilities with Equity*.

The fair value of the CPS was determined using the market capitalisation approach, including consideration of spot price of M&G shares as at date of issuance and its discounting factor.

Key assumptions applied by management in measuring the fair value:

- (i) The spot price of M&G shares as at date of issuance.
- (ii) A risk-free rate referred to similar securities yield curve as discounting factor.
- (iii) Maturity date of 10 anniversary of the date of issuance.

The valuation technique is therefore classified as Level 2 of the fair value hierarchy.

The significant unobservable inputs used in the valuation model was a risk-free rate referred to similar securities yield curve using a discounting factor of 2.494%.

12. LOANS AND BORROWINGS

| | Group | |
|-------------------------|---------|---------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| Non-current | | |
| Secured term loans | 551,033 | 618,057 |
| Hire purchase creditors | - | 39 |
| | 551,033 | 618,096 |
| Current | | |
| Secured term loans | 63,122 | 59,772 |
| Revolving credits | 7,750 | 10,550 |
| Hire purchase creditors | 36 | 36 |
| | 70,908 | 70,358 |
| | 621,941 | 688,454 |

- (a) Loans and borrowings are classified as financial liabilities measured at amortised cost.
- (b) The term loans of the Group are secured by the following:
- (i) debentures created over fixed and floating assets of subsidiaries;
 - (ii) first legal/mortgage charge over the vessels;
 - (iii) an irrevocable joint and several guarantee by a director and a third party of AQL;
 - (iv) assignment of charter proceeds in respect of the vessels;
 - (v) assignment of all benefit, interest, rights and property over or in respect of the vessels under construction contracts; and
 - (vi) assignment of insurance policy for all vessels in favour of the banks.
- (c) The revolving credits of the Group are secured by the shares in subsidiaries held by Jasa Merin.
- (d) The carrying amounts of loans and borrowings of the Group as at the end of the reporting period are reasonable approximations of fair values either due to their short-term nature and the insignificant impact of discounting or that they are floating rate instruments, which are re-priced to market interest rates on or near the end of the reporting period.

The fair value of secured term loans and hire purchase creditors are categories as Level 3 in the fair value hierarchy. The fair value is estimated based on discounted cash flows using a rate based on the current market rate of the borrowing of the respective Group entities at the reporting date. There is no transfer between levels in the hierarchy during the financial year.

12. LOANS AND BORROWINGS (CONT'D)

(e) The interest rate profile of the borrowings as at the end of each reporting period are as follows:

| Group | 2024 RM'000 | 2023 RM'000 |
|---------------|----------------|----------------|
| Fixed rate | 7,786 | 10,625 |
| Floating rate | 614,155 | 677,829 |
| | 621,941 | 688,454 |

(f) The weighted average interest rates per annum of borrowings that were effective as at the end of the reporting period were as follows:

| Group | 2024 % | 2023 % |
|-------------------------|-----------|-----------|
| Fixed rate | | |
| Revolving credits | 6.81 | 5.35-6.15 |
| Hire purchase creditors | 5.00 | 5.00 |
| Floating rate | | |
| Secured term loans | 3.75-5.20 | 3.02-4.96 |

(g) Sensitivity analysis for fixed rate borrowings as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates. Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

| Group | Profit after tax and equity | | | |
|---------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|
| | 2024 | | 2023 | |
| | 1% Increase RM'000 | 1% Decrease RM'000 | 1% Increase RM'000 | 1% Decrease RM'000 |
| Floating rate instruments | (4,668) | 4,668 | (5,152) | 5,152 |

12. LOANS AND BORROWINGS (CONT'D)

- (h) The table below summarises the maturities profile of the loans and borrowings as at the end of the reporting year based on contractual undiscounted repayment obligations:

| Group | On demand or within one year RM'000 | One to five years RM'000 | Over five years RM'000 | Total RM'000 |
|-------------------------|--|--------------------------------|------------------------------|-----------------|
| 2024 | | | | |
| Secured term loans | 87,309 | 354,528 | 260,444 | 702,281 |
| Revolving credits | 7,872 | - | - | 7,872 |
| Hire purchase creditors | 36 | - | - | 36 |
| | <u>95,217</u> | <u>354,528</u> | <u>260,444</u> | <u>710,189</u> |
| 2023 | | | | |
| Secured term loans | 68,633 | 375,111 | 216,701 | 660,445 |
| Revolving credits | 11,191 | - | - | 11,191 |
| Hire purchase creditors | 40 | 36 | - | 76 |
| | <u>79,864</u> | <u>375,147</u> | <u>216,701</u> | <u>671,712</u> |

- (i) Reconciliation of movement of loan and borrowings to cash flows arising from financing activities are as follows:

| Group | Secured term loans RM'000 | Revolving credit RM'000 | Hire purchase creditors RM'000 | Total RM'000 |
|---------------------|---------------------------------|-------------------------------|---|-----------------|
| At 1.5.2023 | 677,829 | 10,550 | 75 | 688,454 |
| Net cash flows | (97,608) | (3,380) | (44) | (101,032) |
| Finance costs | 33,934 | 580 | 5 | 34,519 |
| At 30.4.2024 | <u>614,155</u> | <u>7,750</u> | <u>36</u> | <u>621,941</u> |
| At 1.5.2022 | 726,001 | 12,500 | 28 | 738,529 |
| Addition | - | - | 75 | 75 |
| Net cash flows | (81,464) | (2,694) | (34) | (84,192) |
| Finance costs | 33,292 | 744 | 6 | 34,042 |
| At 30.4.2023 | <u>677,829</u> | <u>10,550</u> | <u>75</u> | <u>688,454</u> |

13. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

| | Group | |
|-------------------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Vessels and equipment | (17,219) | (15,859) |
| Unabsorbed capital allowances | 10,924 | 9,980 |
| Leases | 24 | 19 |
| Trade receivables | 163 | 149 |
| Tax losses carry-forwards | 651 | 608 |
| | <hr/> | <hr/> |
| Tax liabilities | (5,457) | (5,103) |

(b) The movement in temporary differences during the financial year are as follows:

| | At 1.5.2022 | Recognised in profit or loss (Note 20) | At 30.4.2023/ 1.5.2023 | Foreign exchange movement | At 30.4.2024 |
|-------------------------------|-------------|---|------------------------------|---------------------------------|-----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Vessels and equipment | (15,739) | (120) | (15,859) | (1,360) | (17,219) |
| Unabsorbed capital allowances | 9,985 | (5) | 9,980 | 944 | 10,924 |
| Leases | 22 | (3) | 19 | 5 | 24 |
| Trade receivables | 149 | - | 149 | 14 | 163 |
| Tax losses carry-forwards | 595 | 13 | 608 | 43 | 651 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | (4,988) | (115) | (5,103) | (354) | (5,457) |

13. DEFERRED TAX LIABILITIES (CONT'D)

- (c) The deferred tax assets have not been recognised in respect of the following items (stated at gross) are as follows:

| | Group | | Company | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Property, vessels and equipment | 116,393 | 191,690 | - | - |
| Leases | 48 | 11 | - | - |
| Unutilised tax losses | | | | |
| - Expires by 30 April 2028 | 28,075 | 28,075 | 2,733 | 2,733 |
| - Expires by 30 April 2030 | 2,528 | 2,528 | - | - |
| - Expires by 30 April 2031 | 11,132 | 11,132 | - | - |
| - Expires by 30 April 2032 | 618 | 618 | - | - |
| - Expires by 30 April 2034 | 6,543 | - | - | - |
| Unabsorbed capital allowances | 202 | 202 | 202 | 202 |
| Others | 4,600 | 3,607 | - | - |
| | <u>170,139</u> | <u>237,863</u> | <u>2,935</u> | <u>2,935</u> |
| Taxed at 24% | <u>40,833</u> | <u>57,087</u> | <u>704</u> | <u>704</u> |

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority. Unutilised tax losses of the Company and its subsidiaries can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

14. PROVISIONS

| | Company | |
|-----------------------------|-----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Financial guarantees | | |
| At 1 May 2023/2022 | 114,021 | 114,021 |
| Net change in allowance | <u>(73,985)</u> | <u>-</u> |
| At 30 April 2024/2023 | <u>40,036</u> | <u>114,021</u> |

14. PROVISIONS (CONT'D)

- (a) The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.
- (b) The maximum exposure to credit risk amounts to RM623,010,000 (2023: RM663,326,000) representing the outstanding banking facilities of the subsidiaries as at end of the reporting year.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

- (c) The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:
- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
 - The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

- (d) The movements in the allowance for impairment in respect of financial guarantees during the year are shown below:

| Company | Lifetime ECL RM'000 |
|-------------------------------------|------------------------|
| At 1 May 2022/30 April 2023 | 114,021 |
| At 1 May 2023 | 114,021 |
| Net remeasurement of loss allowance | (73,985) |
| At 30 April 2024 | 40,036 |

- (e) The table below summarises the maturity profiles of the financial guarantees as at the end of the reporting year based on undiscounted contractual payments:

| Company | 2024 RM'000 | 2023 RM'000 |
|----------------------------------|----------------|----------------|
| On demand or within one (1) year | 623,010 | 663,326 |

15. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Trade | | | | |
| Trade payables | 40,586 | 49,829 | - | - |
| Non-trade | | | | |
| Accruals | 22,616 | 29,747 | 228 | 188 |
| Other payables | 824 | 74 | - | - |
| | 23,440 | 29,821 | 228 | 188 |
| | 64,026 | 79,650 | 228 | 188 |

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Other payables comprise mainly advanced payments received from customers prior to rendering of services by the Group.
- (c) Currency exposure profiles of trade and other payables are disclosed in Note 26(c) to the financial statements.
- (d) The maturities profile of the trade and other payables of the Group and of the Company as at the end of the reporting year based on contractual undiscounted repayment obligations is payable on demand or within one (1) year.

16. REVENUE

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Leasing income | 271,222 | 221,212 | - | - |
| Revenue from contracts with customers | 76,797 | 86,072 | - | - |
| Dividend income from subsidiaries | - | - | 175 | 175 |
| Total revenue | 348,019 | 307,284 | 175 | 175 |

16. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue from contracts with customers | | | | |
| Crew services | 76,797 | 86,072 | - | - |
| Timing and recognition | | | | |
| Over time | 76,797 | 86,072 | - | - |
| Other revenue | | | | |
| Leasing income | 271,222 | 221,212 | - | - |
| Dividend income from subsidiaries | - | - | 175 | 175 |
| Total other revenue | 271,222 | 221,212 | 175 | 175 |
| Total revenue | 348,019 | 307,284 | 175 | 175 |

(a) The following information reflects the typical transactions of the Group:

| Nature of goods or services | Timing of recognition or method used to recognise revenue | Significant payment terms |
|-----------------------------|--|---|
| Crew services | Revenue is recognised over time as and when the customer simultaneously receives and consumes the benefits provided by the Group using the time lapsed method. | Credit period of 30 days from invoice date. |

(b) Vessel charter

Revenue from vessel charter is recognised on a time-apportionment basis using the straight-line method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

16. REVENUE (CONT'D)

(d) Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one (1) year.

| Group | 2025 RM'000 | 2026 RM'000 | Total RM'000 |
|---------------|----------------|----------------|-----------------|
| Crew services | 19,462 | - | 19,462 |

17. FINANCE INCOME

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Financial assets at fair value through profit or loss | 253 | 290 | 253 | 290 |
| Other finance income recognised in profit or loss | 200 | 92 | 58 | 43 |
| | 453 | 382 | 311 | 333 |

Interest income is recognised on an accrual basis using the effective interest method.

18. FINANCE COSTS

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Interest expense of financial liabilities that are not at fair value through profit or loss | 34,514 | 34,036 | - | - |
| Interest expenses of lease liabilities: | | | | |
| - financial institutions | 5 | 6 | - | - |
| - non-financial institutions | 144 | 130 | 51 | 36 |
| | 34,663 | 34,172 | 51 | 36 |

19. PROFIT BEFORE TAX

| | Note | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Profit before tax is arrived at after charging: | | | | | |
| Auditors' remuneration: | | | | | |
| - Statutory audit fees | | 368 | 368 | 73 | 77 |
| - Non-statutory audit fees | | 8 | 8 | 8 | 8 |
| Material expenses/(income) | | | | | |
| Impairment loss on investments in subsidiaries | 6 | - | - | 89 | - |
| Reversals of impairment losses on investments in subsidiaries | 6 | - | - | (41,637) | (5,000) |
| Bad debt written off | | - | - | - | 40 |
| Gain on disposals on property, vessels and equipment | | (17,785) | - | - | - |
| Impairment losses on property, vessels and equipment | 4 | 2,232 | 2,878 | - | - |
| Reversals of impairment losses on property, vessels and equipment | 4 | (27,992) | (45,256) | - | - |
| Depreciation of property, vessels and equipment | 4 | 79,676 | 70,050 | 72 | 72 |
| Depreciation of right-of-use assets | 5 | 803 | 1,136 | 175 | 165 |
| Write down of inventories | 7 | 1,379 | - | - | - |
| Personnel expenses: | | | | | |
| - Employee benefits expense | 19(a) | 68,808 | 60,915 | 3,196 | 2,876 |
| - Non-executive directors' remuneration | 19(b) | 993 | 764 | 643 | 461 |
| Net foreign exchange loss | | 226 | 1,700 | - | - |
| Dividend income from subsidiaries | | - | - | (175) | (175) |
| Net loss/(gain) on impairment of financial instruments | | | | | |
| Financial guarantees | | - | - | (73,985) | - |
| Financial assets at amortised cost | | 685 | (400) | (323) | - |

19. PROFIT BEFORE TAX (CONT'D)

(a) Employee benefits expenses

| | Group | | Company | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Wages and salaries | 53,267 | 46,346 | 2,834 | 2,521 |
| Defined contribution plan | 3,854 | 3,764 | 270 | 261 |
| Social security contributions | 377 | 357 | 10 | 10 |
| Other staff related expenses | 11,310 | 10,448 | 82 | 84 |
| | <u>68,808</u> | <u>60,915</u> | <u>3,196</u> | <u>2,876</u> |

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,640,000 (2023: RM3,213,000) and RM1,811,000 (2023: RM1,513,000) respectively.

(b) Directors' remuneration

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Directors of the Company | | | | |
| Executive Directors: | | | | |
| - salaries and bonus | 2,784 | 2,386 | 1,432 | 1,160 |
| - defined contribution plan | 325 | 304 | 142 | 137 |
| - allowances and other emoluments | 244 | 238 | 72 | 72 |
| - benefits-in-kind | 219 | 217 | 165 | 144 |
| Total Executive Directors' remuneration | <u>3,572</u> | <u>3,145</u> | <u>1,811</u> | <u>1,513</u> |
| Non-Executive Directors: | | | | |
| - fees | 572 | 414 | 539 | 390 |
| - other emoluments | 116 | 89 | 104 | 71 |
| Total Non-Executive Directors' remuneration | <u>688</u> | <u>503</u> | <u>643</u> | <u>461</u> |
| Total remuneration including benefits-in-kind for Directors of the Company | <u>4,260</u> | <u>3,648</u> | <u>2,454</u> | <u>1,974</u> |

19. PROFIT BEFORE TAX (CONT'D)

(b) Directors' remuneration (cont'd)

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Directors of subsidiaries | | | | |
| Executive Directors: | | | | |
| - salaries and bonus | 44 | 44 | - | - |
| - defined contribution plan | 8 | 8 | - | - |
| - allowances and other emoluments | 16 | 16 | - | - |
| Total Executive Directors' remuneration | 68 | 68 | - | - |
| Non-Executive Directors: | | | | |
| - other emoluments | 305 | 261 | - | - |
| Total Non-Executive Directors' remuneration | 305 | 261 | - | - |
| Total remuneration including benefits-in-kind for Directors of the subsidiaries | 373 | 329 | - | - |
| Total remuneration including benefits-in-kind | | | | |
| Executive Directors' | 3,640 | 3,213 | 1,811 | 1,513 |
| Non-Executive Directors' | 993 | 764 | 643 | 461 |
| Total Directors' remuneration including benefits-in-kind | 4,633 | 3,977 | 2,454 | 1,974 |

20. TAX EXPENSE

Recognised in profit or loss

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Current tax expense | | | | |
| Malaysian | | | | |
| - current year | 324 | 492 | - | 13 |
| - prior years | 170 | 57 | (13) | 2 |
| | 494 | 549 | (13) | 15 |
| Deferred tax expense | | | | |
| - origination and reversal of temporary differences | - | 115 | - | - |
| Total income tax expense | 494 | 664 | (13) | 15 |

Reconciliation of tax expense

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Profit before tax | 68,257 | 69,784 | 111,303 | 1,059 |
| Income tax using Malaysian tax rate of 24% (2023: 24%) | 16,382 | 16,748 | 26,713 | 254 |
| Different tax rate in Labuan | (519) | (1,059) | - | - |
| Non-taxable income | (10,186) | - | (27,923) | (1,200) |
| Non-deductible expenses | 2,938 | 5,748 | 1,210 | 959 |
| Utilisation of deferred tax assets previously not recognised | (8,291) | (20,830) | - | - |
| Under provision in prior year: | | | | |
| - current tax | 170 | 57 | (13) | 2 |
| | 494 | 664 | (13) | 15 |

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Certain subsidiaries of the Company being Malaysian tax residents incorporated in Labuan under the Offshore Companies Act, 1990 are taxed at 3% of profit before tax in accordance with the Labuan Offshore Business Activity Tax Act, 1990.

21. OTHER COMPREHENSIVE INCOME

| Group | Before tax RM'000 | Tax expense RM'000 | Net of tax RM'000 |
|---|----------------------|-----------------------|----------------------|
| 2024 | | | |
| Item that is or may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation differences for foreign operations | | | |
| - Profit arising during the year | 10,015 | - | 10,015 |
| 2023 | | | |
| Item that is or may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation differences for foreign operations | | | |
| - Profit arising during the year | 2,417 | - | 2,417 |

22. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share as at 30 April 2024 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding as follows:

| Group | 2024 | 2023 |
|---|-------------|-------------|
| Profit net of tax attributable to owners of the Company (RM'000) | 47,035 | 48,086 |
| Weighted average number of ordinary shares outstanding at 30 April ('000) | 2,223,879 | 2,223,879 |
| Basic earnings per share (sen) | <u>2.11</u> | <u>2.16</u> |

(b) There is no dilutive of potential ordinary shares as at year end.

23. DIVIDENDS

There was no dividend proposed, declared or paid by the Company during the financial year.

24. CONTINGENT LIABILITIES

Pursuant to the disposal of Sistem Lingkaran Lebuhraya Kajang Sdn. Bhd. (“SILK”) to Permodalan Nasional Berhad (“PNB”), the Company has agreed to indemnify PNB against all losses, costs, expenses, damages, claims and liabilities which may arise from the dispute between SILK and the landowners regarding the quantum of compensation payable for the compulsory acquisition of land falling under the Kajang Traffic Dispersal Ring Road (“Expressway”) that was undertaken by SILK pursuant to the Concession Agreement.

Pursuant to the Turnkey Contract dated 31 July 2001 between SILK and Sunway Construction Sdn. Bhd. (“SCSB”), the amount payable by SILK to SCSB for the land use payments (including expenses and charges incurred by SCSB for the acquisition of land and for removal or resettling of squatters or other occupants on the Expressway) has been contracted at a ceiling amount of RM215 million. Any further amounts that may be awarded by the Court beyond RM215 million will therefore be borne by SCSB.

In the SILK’s funded stretch, there are 240 cases with claims amounting to RM503.7 million. In prior year, out of the 240 cases, 239 cases have been resolved and 1 case with claims of RM17.8 million had been fixed for hearing at the Court of Appeal (“CoA”) on 11 August 2023. On 25 August 2023, the CoA ordered that the appeal be allowed and the matter to be remitted back to the High Court for re-assessment. Subsequently, SILK has filed a motion for leave to appeal against the decision of the CoA. On 22 August 2024, the Federal Court heard the parties submission but reserved their decision to a future date.

Notwithstanding the above, the Directors are of the opinion that provision is not required in respect of this matter, as it is not probable that a future outflow of economic benefits will be required.

25. OPERATING SEGMENTS

The Group has two reportable business segments based on the services provided – the Marine Logistics Services, and the customer groups’ activities for the Upstream and Downstream activities.

Performance is measured based on segment profit or loss after tax as included in the management reports that are reviewed by the Chief Operating Decision Maker (“CODM”) (i.e. the Executive Vice Chairman of Upstream and Downstream divisions, respectively). Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total liabilities is used to measure the gearing of each segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, vessels and equipment and intangible assets other than goodwill.

25. OPERATING SEGMENTS (CONT'D)

| | Marine Logistics - Upstream | | Marine Logistics - Downstream | | Investment Holding and Others | | Adjustments and eliminations | | Per consolidated financial statements | |
|---|--------------------------------|----------------|----------------------------------|----------------|----------------------------------|----------------|---------------------------------|----------------|--|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue: | | | | | | | | | | |
| External customers | 265,920 | 225,126 | 82,099 | 82,158 | - | - | - | - | 348,019 | 307,284 |
| Inter-segment | - | - | - | - | 175 | 175 | (175) | (175) | - | - |
| Total revenue | 265,920 | 225,126 | 82,099 | 82,158 | 175 | 175 | (175) | (175) | 348,019 | 307,284 |
| Segment profit/(loss) | 63,857 | 66,660 | 8,101 | 6,383 | 111,208 | 950 | (115,403) | (4,873) | 67,763 | 69,120 |
| Included in the measure of segment profit/(loss) are: | | | | | | | | | | |
| Interest income | 141 | 46 | - | - | 312 | 336 | - | - | 453 | 382 |
| Impairment of property, vessels and equipment | (2,232) | (2,878) | - | - | - | - | - | - | (2,232) | (2,878) |
| Reversal of impairment loss of property, vessels and equipment | 24,980 | 43,110 | 3,012 | 2,146 | - | - | - | - | 27,992 | 45,256 |
| Reversal of impairment loss/ (impairment loss) of trade and other receivables | (673) | - | (356) | 400 | - | - | 344 | - | (685) | 400 |
| Depreciation and amortisation | (61,494) | (54,051) | (18,738) | (16,897) | (247) | (238) | - | - | (80,479) | (71,186) |
| Finance costs | (34,004) | (32,900) | (909) | (1,537) | (51) | (36) | 301 | 301 | (34,663) | (34,172) |
| Income tax expense | (295) | (585) | (211) | (64) | 12 | (15) | - | - | (494) | (664) |
| Segment assets | 678,261 | 659,153 | 187,171 | 186,341 | 173,978 | 136,287 | (182,148) | (121,740) | 857,262 | 860,041 |
| Included in the measure of segment assets are: | | | | | | | | | | |
| Additions to non-current assets other than financial instruments and deferred tax assets | 17,858 | 34,480 | 5,154 | 10,682 | 27 | 16 | - | - | 23,039 | 45,178 |
| Segment liabilities | 691,197 | 735,930 | 32,016 | 49,133 | 41,293 | 114,811 | (69,483) | (124,294) | 695,023 | 775,580 |

25. OPERATING SEGMENTS (CONT'D)

Note:

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- (a) Inter-segment transactions and balances are eliminated on consolidation; and
- (b) Other non-cash expenses.

Reconciliations of reportable segments

| Group | Note | 2024 RM'000 | 2023 RM'000 |
|--|------|----------------|----------------|
| Profit or loss | | | |
| Total profit for reportable segments | | 183,166 | 73,993 |
| Elimination of net impairment losses on investments in subsidiaries | 6 | (41,548) | (5,000) |
| Elimination of ECL on financial guarantee | 14 | (73,985) | - |
| Elimination of reversal of impairment loss on amounts due from subsidiaries | 9 | (323) | - |
| Others | | 453 | 127 |
| | | 67,763 | 69,120 |

Geographical information

Revenue from the offshore marine support services segments mainly attributable to customers in Malaysia.

All of the Group's non-current assets are located in Malaysia.

Major customers

During the financial year, the number of major customers of the Group with revenue equal or more than 10% of the Group's total revenue is two (2) (2023: three (3)), of which one (1) are Marine Logistics - Upstream segment's customers and one (1) is Marine Logistics – Downstream segment's customer. The total revenue contributed by these major customers are RM215,171,000 (2023: RM205,932,000).

26. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk.

The following sections provide details regarding the exposure of the Group and the Company to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables. The Company's exposure to credit risk arises principally from amount due from subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjects to write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

As at the end of the reporting period, the maximum exposures to credit risk of the Group and of the Company have been disclosed in Note 9 to the financial statements.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

As at 30 April 2024, the Company's current liabilities exceeded its current assets by RM26,457,000. The Company has sufficient cash flows from its business activities for the next twelve months from the reporting date to meet its operating and financing obligations as and when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The analysis of financial statements by remaining contractual activities has been disclosed in Note 5, Note 12 and Note 15 to the financial statements.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and other prices that will affect the Group's financial position or cash flows.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk (cont'd)

Foreign currency risk

The Group is exposed to foreign currency risk on purchases and bank balances that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollars ("SGD"), Euro ("EUR"), Japanese Yen ("YEN") and British Pound ("GBP").

Exposure to foreign currency risk is monitored on an ongoing basis. The Group does not perform hedging on foreign currency transactions.

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting year are as follows:

| Group | Denominated in | | | | |
|--|----------------|---------------|---------------|---------------|---------------|
| | USD RM'000 | SGD RM'000 | EUR RM'000 | YEN RM'000 | GBP RM'000 |
| 2024 | | | | | |
| Trade and other receivables | 42 | - | - | - | - |
| Cash and cash equivalents | 7,288 | 1 | - | - | - |
| Trade and other payables | (5,710) | (2,338) | (186) | (40) | (26) |
| Net exposure in the statements of financial position | 1,620 | (2,337) | (186) | (40) | (26) |
| 2023 | | | | | |
| Trade and other receivables | 7,014 | - | - | - | - |
| Cash and cash equivalents | 3,403 | - | - | - | - |
| Trade and other payables | (7,288) | (1,433) | (1,399) | (215) | - |
| Net exposure in the statements of financial position | 3,129 | (1,433) | (1,399) | (215) | - |

Foreign currency risk arises from Group entities which have a Ringgit Malaysia functional currency. The exposure to currency risk of the Group entities do not have a Ringgit Malaysia currency is not material and hence, sensitivity analysis is not presented.

A 10% (2023: 10%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting year would have decreased profit net of tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting year. The analysis assumes that all other variables, in particular interest rates remained constant.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk (cont'd)

Foreign currency risk (cont'd)

| Group | Profit after tax and equity | |
|-------|-----------------------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| USD | 123 | 238 |
| SGD | (178) | (109) |
| EUR | (14) | (106) |
| YEN | (3) | (16) |
| GBP | (2) | - |
| | <u>(74)</u> | <u>7</u> |

A 10% (2023: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting year would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 5, Note 8, Note 10 and Note 12 to the financial statements.

27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 April 2024 and 30 April 2023.

27. CAPITAL MANAGEMENT (CONT'D)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group considers the net debt as loans and borrowings, trade and other payables, less cash and cash equivalents and other investments.

| | Note | Group | | Company | |
|---------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Loans and borrowings | 12 | 621,941 | 688,454 | - | - |
| Trade and other payables | 15 | 64,026 | 79,650 | 228 | 188 |
| Less: Cash and cash equivalents | 10 | (67,401) | (24,423) | (3,415) | (3,750) |
| Other investments | 8 | (8,918) | (8,324) | (8,918) | (8,324) |
| Total net debt | | 609,648 | 735,357 | (12,105) | (11,886) |
| Total equity | | 162,239 | 84,461 | 132,718 | 21,402 |
| Capital and net debt | | 771,887 | 819,818 | 120,613 | 9,516 |
| Gearing ratio | | 79% | 90% | n/a | n/a |

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement for the financial year ended 30 April 2024.

28. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include Executive Directors and key officers of the Group and of the Company.

28. RELATED PARTIES (CONT'D)

(a) Significant related party transactions

The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows:

| | Company | |
|-----------------------------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 |
| Subsidiaries | | |
| Dividend income | 175 | 175 |
| Payments on behalf by the Company | 69 | 281 |

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed between the companies.

The outstanding balances arising from the above transactions have been disclosed in Note 9 and Note 15 to the financial statements.

(b) Compensation of key management personnel

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Salaries and bonus | 4,699 | 4,179 | 2,014 | 1,736 |
| Allowance and other emoluments | 873 | 788 | 161 | 161 |
| Defined contribution plan | 615 | 572 | 213 | 206 |
| Other benefits | 222 | 220 | 167 | 146 |
| | 6,409 | 5,759 | 2,555 | 2,249 |

29. CAPITAL COMMITMENTS

Capital expenditure commitments as at the reporting date is as follows:

| Group | 2024 RM'000 | 2023 RM'000 |
|---|----------------|----------------|
| Capital expenditure | | |
| Approved and contracted but not provided for: | | |
| Property, vessels and equipment | 4,319 | 1,551 |

30. ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs

(a) New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

| Title | Effective Date |
|--|---------------------------------|
| MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i> | 1 January 2023 |
| Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i> | 1 January 2023 |
| Amendments to MFRS 108 <i>Definition of Accounting Estimates</i> | 1 January 2023 |
| Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i> | 1 January 2023 |
| Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i> | Refer paragraph 98M of MFRS 112 |

The adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

(b) New MFRSs that have been issued but only effective for annual periods beginning on or after 1 January 2024

The following are Standard and Amendments to the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

| Title | Effective Date |
|---|----------------|
| Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2024 |
| Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i> | 1 January 2024 |
| Amendments to MFRS 16 <i>Lease liability in a Sale and Leaseback</i> | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i> | 1 January 2024 |
| Amendments to MFRS 121 <i>Lack of Exchangeability</i> | 1 January 2025 |
| Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i> | 1 January 2026 |
| MFRS 18 <i>Presentation and Disclosure in Financial Statements</i> | 1 January 2027 |
| MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> | 1 January 2027 |
| Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Deferred |

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Disposals of two (2) vessels by the wholly owned subsidiaries of the Group

On 26 December 2023, a wholly owned subsidiary of the Group namely, TKH Marine (L) Ltd had disposed its vessel, JM Sutera 7 for a cash consideration of USD5,800,000 (equivalent to approximately RM27,200,000) to Narsimhaa Shipping Inc., Liberia.

Further, on 26 March 2024, a wholly owned subsidiary of the Group namely, M&G Tankers Sdn. Bhd. had disposed its vessel, JM Sutera 5 for a total cash consideration of USD5,550,000 (equivalent to approximately RM26,210,000) to Kalinda Permata Transport Pte. Ltd., Singapore.

SUBSTANTIAL SHAREHOLDERS

AS AT 1 AUGUST 2024

| | | Ordinary Shares | |
|----|------------------------------------|-------------------|---------------|
| | | No. of Shares | % |
| 1. | Haji Abdul Rahman bin Ali | 192,781,751 | 26.63% |
| 2. | Tan Sri Mohammed Azlan bin Hashim* | 140,676,513 | 19.43% |
| 3. | Johan Zainuddin bin Dzulkifli | 70,100,413 | 9.68% |
| 4. | Bijak Permai Sdn Bhd | <u>91,236,333</u> | <u>12.60%</u> |

Notes:

* Direct interest through RHB Capital Nominees (Tempatan) Sdn Bhd and deemed interest through Bijak Permai Sdn Bhd.



DIRECTORS' INTEREST IN SHARES

AS AT 1 AUGUST 2024

| | | Ordinary Shares | |
|----|--|-----------------|--------|
| | | No. of Shares | % |
| 1. | Haji Abdul Rahman bin Ali - direct interest | 192,781,751 | 26.63% |
| 2. | Tan Sri Mohammed Azlan bin Hashim - direct and deemed interest* | 140,676,513 | 19.43% |
| 3. | Nik Abdul Malik bin Nik Mohd Amin - direct interest** | 2,400,000 | 0.33% |

Notes:

* Direct interest through RHB Capital Nominees (Tempatan) Sdn Bhd and deemed interest through Bijak Permai Sdn Bhd.

** Direct interest through Public Nominees (Tempatan) Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS

AS AT 1 AUGUST 2024

| | Number of shares | Total (RM) |
|----------------------------------|-----------------------------|-------------|
| Issued and paid up share capital | 723,878,744 | 270,004,247 |
| Class of shares | Ordinary Shares | |
| Voting rights | One vote per ordinary share | |

(A) ORDINARY SHARES

Distribution of shareholdings

| Size of Shareholdings | No. of Shareholders | % of Shareholders | No. of Shares Held | % of Shareholdings |
|------------------------|---------------------|-------------------|--------------------|--------------------|
| 1 - 99 | 54 | 1.54% | 1,942 | 0.00% |
| 100 - 1,000 | 648 | 18.44% | 483,699 | 0.07% |
| 1,001 - 10,000 | 1,256 | 35.74% | 7,554,352 | 1.04% |
| 10,001 - 100,000 | 1,236 | 35.17% | 47,049,199 | 6.50% |
| 100,001 - 36,193,937* | 316 | 8.99% | 265,230,875 | 36.64% |
| 36,193,938 and above** | 4 | 0.12% | 403,558,677 | 55.75% |
| | 3,514 | 100.00% | 723,878,744 | 100.00% |

* Less than 5% of issued shares

** 5% and above of the issued shares

THIRTY LARGEST SHAREHOLDERS AS PER THE REGISTER OF DEPOSITORS

| No. | Name of Shareholders | Name of Beneficial Owners | No. of Shares | % |
|-----|--|---|---------------|--------|
| 1. | ABDUL RAHMAN BIN ALI | | 192,781,751 | 26.63% |
| 2. | BIJAK PERMAI SDN BHD | | 91,236,333 | 12.60% |
| 3. | JOHAN ZAINUDDIN BIN DZULKIFLI | | 70,100,413 | 9.68% |
| 4. | RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD | PLEDGED SECURITIES ACCOUNT FOR MOHAMMED AZLAN BIN HASHIM | 49,440,180 | 6.83% |
| 5. | TITIAN TEGAP SDN BHD | | 30,000,000 | 4.14% |
| 6. | CITIGROUP NOMINEES (ASING) SDN BHD | EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22) | 20,000,000 | 2.76% |
| 7. | SUASA UNGGUL SDN BHD | | 20,000,000 | 2.76% |
| 8. | TEY CHEE THONG | | 15,891,500 | 2.20% |
| 9. | TEY CHEE THONG | | 10,072,321 | 1.39% |
| 10. | CHU BENG HAN | | 9,797,812 | 1.35% |
| 11. | TENGGU UZIR BIN TENGGU UBAIDILLAH | | 5,902,600 | 0.82% |
| 12. | LEE KIN MOI | | 4,000,000 | 0.55% |
| 13. | TA NOMINEES (TEMPATAN) SDN BHD | PLEDGED SECURITIES ACCOUNT FOR HAFIDAH BINTI PAWANCIK | 3,874,200 | 0.54% |
| 14. | A TALIB BIN TAIB | | 3,414,400 | 0.47% |
| 15. | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD | PLEDGED SECURITIES ACCOUNT FOR TAN YAT KIANG | 3,150,000 | 0.44% |
| 16. | TENGGU UZIR BIN TENGGU UBAIDILLAH | | 2,902,300 | 0.40% |
| 17. | RHB NOMINEES (TEMPATAN) SDN BHD | PLEDGED SECURITIES ACCOUNT FOR TEY SUU TAIN | 2,891,900 | 0.40% |
| 18. | SJ SEC NOMINEES (TEMPATAN) SDN BHD | PLEDGED SECURITIES ACCOUNT FOR HAFIDAH BINTI PAWANCIK | 2,802,700 | 0.39% |
| 19. | GOH NAN KIOH | | 2,493,562 | 0.34% |
| 20. | MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD | PLEDGED SECURITIES ACCOUNT FOR INTAN AINIRAWATI BINTI ABDUL RAZAK | 2,400,000 | 0.33% |
| 21. | MOHTAR BIN NONG | | 2,400,000 | 0.33% |
| 22. | PUBLIC NOMINEES (TEMPATAN) SDN BHD | PLEDGED SECURITIES ACCOUNT FOR NIK ABDUL MALIK BIN NIK MOHD AMIN | 2,400,000 | 0.33% |
| 23. | CHEW KENG KIN | | 2,333,000 | 0.32% |
| 24. | GEO-MOBILE ASIA SDN BHD | | 2,150,000 | 0.30% |
| 25. | MAYBANK NOMINEES (TEMPATAN) SDN BHD | PLEDGED SECURITIES ACCOUNT FOR WAFIY BIN ABD AZIZ | 2,100,500 | 0.29% |
| 26. | NG KO CHEE | | 2,100,000 | 0.29% |
| 27. | LEE TECK KENG | | 2,039,400 | 0.28% |
| 28. | FAKHRI YASSIN BIN MAHIADDIN | | 2,000,000 | 0.28% |
| 29. | MEGA FIRST HOUSING DEVELOPMENT SDN BHD | | 2,000,000 | 0.28% |
| 30. | HSBC NOMINEES (ASING) SDN BHD | J.P. MORGAN SECURITIES PLC | 1,932,000 | 0.27% |

NOTICE OF THE 27TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting (“**27th AGM**”) of Marine & General Berhad (“**the Company**”) will be held at Dewan Perdana, 1st Floor, Sport Complex, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 11 October 2024 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the year ended 30 April 2024 together with the Reports of the Directors and Auditors thereon. ***Please refer to Explanatory Note i***
2. To re-elect the following Directors who retire by rotation pursuant to Clause 24.2 of the Company’s Constitution, and being eligible, offer themselves for re-election:-
 - i. Tan Sri Mohammed Azlan bin Hashim **(Resolution 1)**
 - ii. Nik Abdul Malik bin Nik Mohd Amin **(Resolution 2)**
 - iii. Shariffuddin bin Khalid **(Resolution 3)**
3. To approve the payment of Directors’ fees for the financial year ending 30 April 2025 of up to RM800,000, on quarterly basis after the end of each quarter. **(Resolution 4)**
4. To approve the payment of Directors’ benefits (other than Directors’ fees) of up to RM800,000 to Non-Executive Directors for the period from 12 October 2024 until the next Annual General Meeting of the Company. **(Resolution 5)**
5. To re-appoint Messrs. BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolutions:-

6. **Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016** **(Resolution 7)**

“THAT pursuant to Section 75 and 76 of the Companies Act 2016, the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any point of time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed ten percent (10%) of the issued share capital of the Company for the time being AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”



7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")** **(Resolution 8)**

"THAT subject always to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and / or its subsidiary companies to give effect to the specific recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Section 2D of the Circular to Shareholders dated 30 August 2024, provided that such arrangements and / or transactions are:

- i. recurrent transactions of a revenue or trading nature;
- ii. necessary for the day-to-day operations;
- iii. carried out on arm's length basis, in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public; and
- iv. are not to the detriment of the minority shareholders.

AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- i. the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless by a resolution passed by the shareholders of the Company in a general meeting;
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- iii. revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and to do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders' Mandate, with full power to assent to any condition, modification, variation and / or amendment (if any) as may be imposed or permitted by the relevant authorities."

8. To transact any other business of the Company of which due notice shall have been given.

By Order of the Board

LIM HUI MING (BC/L/740) SSM PC No. 201908000957
CHIA POH TIN (MAICSA 7055061) SSM PC No. 201908000762
Company Secretaries

Kuala Lumpur
30 August 2024

NOTES:**Appointment of Proxy**

- i. A member of the Company entitled to attend, participate, speak and vote in the 27th AGM is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his stead. A proxy need not be a member of the Company but must be of full age of eighteen (18) years and above. There shall be no restriction as to the qualification of the proxy.
- ii. For the purpose of determining a member who shall be entitled to attend and vote at the 27th AGM, the Company shall be requesting the Record of Depositors as at 5.00 p.m. on 4 October 2024. Only a depositor whose name appears on the Record of Depositors as at 5.00 p.m. on 4 October 2024 shall be entitled to attend, participate, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his stead.
- iii. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- iv. A member other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 shall be allowed to appoint up to two (2) proxies to attend, participate, speak and vote for him at the 27th AGM. Where a member appoints more than one (1) proxy, he must specify the proportion of his shareholdings represented by each proxy.
- v. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur or sent by electronic communication, not less than twenty-four (24) hours before the time appointed for the taking of the poll for the 27th AGM or any adjournment thereof either by hand, post, fax to (03) 2273 8310 or email to cosec@christopherleeong.com, and in default the instrument of proxy shall not be treated as valid.

Explanatory Notes**i. Audited Financial Statements (Item No. 1)**

The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, is not put forward for voting.

ii. Re-election of Directors (Item No. 2)

Clause 24.2 of the Company's Constitution provided that an election of Directors shall take place each year at the Annual General Meeting of the Company where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3), shall retire from office PROVIDED ALWAYS THAT all directors shall retire from office once at least every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. Three (3) Directors are to retire in accordance with Clause 24.2 of the Company's Constitution as follows:

- a. Tan Sri Mohammed Azlan bin Hashim;
- b. Nik Abdul Malik bin Nik Mohd Amin; and
- c. Shariffuddin bin Khalid

Explanatory Notes (cont'd)

ii. Re-election of Directors (Item No. 2) (cont'd)

For the purpose of determining the eligibility of the Director to stand for re-election at the 27th AGM, the Board through its Nomination & Remuneration Committee ("NRC") had assessed the retiring Directors that have offered themselves for re-election, and considered the following:

- a. Fit and properness of the Director to continue as a Director of the Company based on their respective declaration under Company's Directors' Fit and Proper Policy;
- b. The Director's performance and contribution based on the Self and Peer Assessment;
- c. The Director's level of contribution to the Board deliberations through his skills, experience and strength in qualities;
- d. Where the Director is an Independent Director, the level of independence demonstrated and their ability to continue to act in the best interests of the Company.

In line with Practice 6.1 of the Malaysian Code on Corporate Governance, the Board had conducted an assessment of the Directors of the Company based on the relevant performance criteria which include the following:

- a. Strategy and entrepreneurship
- b. Legal and regulatory requirements
- c. Corporate governance, risk management and internal controls
- d. Audit, accounting, financial reporting and taxation
- e. Human capital
- f. Sales and marketing
- g. Production and quality assurance

Based on the Directors' Self and Peer Assessment, the individual Directors (including the retiring Directors) met the performance criteria required of an effective Board. In addition, all the Independent Directors have also provided annual declaration / confirmation of independence.

Based on the above, the Board approved the NRC's recommendation that the Directors who retire in accordance with Clause 24.2 of the Constitution, are eligible to stand for re-election at the forthcoming 27th AGM.

The retired Directors had abstained from the deliberations and decision on their eligibility to stand for re-election in the Board.

iii. Payment of Directors' Fees and Benefits (Items No. 3 & 4)

At the 26th Annual General Meeting, the Company has obtained shareholders' approval to pay Directors' fees of not more than RM700,000 and Directors' benefits (other than Directors' fees) of up to RM450,000. The total actual amount of fees paid to the Non-Executive Directors is RM572,000 whilst the estimated other benefits payable to the Non-Executive Directors until the forthcoming Annual General Meeting is RM435,000 comprising RM370,000 actually paid up to July 2024 and RM65,000 payable in August and September 2024.

iv. Authority to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016 (Item No. 6)

The Ordinary Resolution proposed under item no. 6 (**Resolution 7**) is to seek a renewal of the general mandate which was approved at the 26th Annual General Meeting of the Company held on 3 October 2023 and will lapse at the conclusion of the 27th AGM to be held on 11 October 2024.

Explanatory Notes (cont'd)**iv. Authority to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016 (Item No. 6) (cont'd)**

The general mandate, if approved, will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment project(s) and acquisition(s) and for strategic reasons.

In order to eliminate any delay and costs in convening a general meeting to specifically approve such issuance of shares, it is considered appropriate that the Directors be empowered, as proposed under item no. 6 of the Agenda, to allot and issue new shares in the Company up to an amount not exceeding in total ten percent (10%) of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

v. Proposed Renewal of Shareholders' Mandate (Item No. 7)

The Ordinary Resolution proposed under item no. 7 (**Resolution 8**) if passed, will enable the Company and / or its subsidiary company(ies) to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**DETAILS OF INDIVIDUAL WHO IS SEEKING FOR ELECTION AS DIRECTOR (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)**

Saved for the Directors seeking for re-election under item no. 2 above, no individual is seeking election as a Director at the 27th AGM of the Company.

GENERAL MANDATE FOR ISSUE OF SECURITIES

The Company will seek shareholders' approval on the renewal of general mandate ("General Mandate") for the issues of securities in accordance with Paragraph 6.03(3) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements. Please refer to the proposed resolution no. 7 as stated in this Notice for the details.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted by the shareholders of the Company at the 26th Annual General Meeting held on 3 October 2023 and will lapse at the conclusion of 27th AGM.

The General Mandate will provide flexibility to the Company for allotment of shares for any possible funding future investment project(s) and acquisition(s) and for strategic reasons.



- This page has been left blank intentionally -

MARINE & GENERAL BERHAD

[Registration No. 199601033545 (405897-V)]
(Incorporated in Malaysia)

Registered Office:

Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5
Kuala Lumpur Sentral, 50470 Kuala Lumpur.
Tel : (03) - 2273 1919
Fax: (03) - 2273 8310

FORM OF PROXY

27TH ANNUAL GENERAL MEETING

| | |
|-------------------------|--|
| Number of share(s) held | |
| CDS Account No. | |

PROXY "A"

I/We _____ *NRICNo./PassportNo./CompanyNo _____

HP No _____ of _____

_____ being a member of **MARINE & GENERAL BERHAD** and entitled to vote hereby appoint

_____ *NRICNo./PassportNo _____ HPNo/Email Address _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held at Dewan Perdana, 1st Floor, Sport Complex, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 11 October 2024 at 10.00 a.m. and at any adjournment thereof.

WHERE THE MEMBER DESIRES TO APPOINT A 2ND PROXY, THIS SECTION MUST ALSO BE COMPLETED, OTHERWISE IT SHOULD BE DELETED

PROXY "B"

I/We _____ *NRICNo./PassportNo./CompanyNo _____

HP No _____ of _____

_____ being a member of **MARINE & GENERAL BERHAD** and entitled to vote hereby appoint

_____ *NRICNo./PassportNo _____ HPNo/Email Address _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held at Dewan Perdana, 1st Floor, Sport Complex, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 11 October 2024 at 10.00 a.m. and at any adjournment thereof.

The proportions of my / our holding to be represented by my / our proxies are as follows:

1st Proxy "A" - _____ % (to be completed)

2nd Proxy "B" - _____ % (to be completed)

Total: 100 %

* Delete if not applicable

My / our proxy / proxies shall vote as follows:

(Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy / proxies will vote or abstain from voting on the resolutions at his / their discretion)

| NO. | RESOLUTIONS | 1ST PROXY "A" | | 2ND PROXY "B" | |
|-----|---|---------------|---------|---------------|---------|
| | | FOR | AGAINST | FOR | AGAINST |
| 1. | To re-elect Tan Sri Mohammed Azlan bin Hashim | | | | |
| 2. | To re-elect Nik Abdul Malik bin Nik Mohd Amin | | | | |
| 3. | To re-elect Shariffuddin bin Khalid | | | | |
| 4. | To approve the payment of Directors' fees | | | | |
| 5. | To approve the payment of Directors' benefits | | | | |
| 6. | To re-appoint Messrs BDO PLT as Auditors | | | | |
| 7. | To authorise the issuance of shares pursuant to Section 75 and 76 of the Companies Act 2016 | | | | |
| 8. | Proposed Renewal of Shareholders' Mandate | | | | |

Dated this _____ day of _____ 2024

Signature of Member _____

NOTES:

1. A member of the Company entitled to attend, participate, speak and vote in the 27th AGM is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his stead. A proxy need not be a member of the Company but must be of full age of eighteen (18) years and above. There shall be no restriction as to the qualification of the proxy.
2. For the purpose of determining a member who shall be entitled to attend and vote at the 27th AGM, the Company shall be requesting the Record of Depositors as at 5.00 p.m. on 4 October 2024. Only a depositor whose name appears on the Record of Depositors as at 5.00 p.m. on 4 October 2024 shall be entitled to attend, participate, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his stead.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. A member other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 shall be allowed to appoint up to two (2) proxies to attend, participate, speak and vote for him at the 27th AGM. Where a member appoints more than one (1) proxy, he must specify the proportion of his shareholdings represented by each proxy.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur or sent by electronic communication, not less than twenty-four (24) hours before the time appointed for the taking of the poll for the 27th AGM or any adjournment thereof either by hand, post, fax to (03) 2273 8310 or email to cosec@christopherleeong.com, and in default the instrument of proxy shall not be treated as valid.

1st fold here

AFFIX
STAMP

The Secretary

MARINE & GENERAL BERHAD

[Registration No. 199601033545 (405897-V)]

Level 22, Axiata Tower,
No. 9, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

2nd fold here



MARINE & GENERAL
BERHAD

Registration No. 199601033545 (405897-V)

Level 23, Plaza VADS, No. 1, Jalan Tun Mohd Fuad
Taman Tun Dr Ismail, 60000 Kuala Lumpur.
Tel: +603 7735 6300 Fax: +603 7735 6301

www.marine-general.com.my