

NAVIGATING A SUSTAINABLE FUTURE TOGETHER

Integrated Annual Report 2023



NAVIGATING A SUSTAINABLE FUTURE TOGETHER

THEME RATIONALE

Navigating a Sustainable Future Together, reflects our belief that building a better world is not just a goal but a journey we embark on collectively with stakeholders, employees, and the communities we operate in. It harmoniously intertwines our 55-year legacy as a global maritime conglomerate with a visionary roadmap to foster a just energy transition and shape a sustainable world for the next generation.

In the next chapter of our journey, we aim to embrace and lead transformative changes that will propel us toward a more sustainable and responsible future. To us, success is not merely measured by cargo tonnage but by the profound impact on people, the environment, and society at large.



Scan this QR code to view it online or visit <https://www.miscgroup.com/>

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NAVIGATION ICONS

Key Capitals

- | | |
|---|---------------------------|
| F Financial Capital | P Physical Capital |
| I Intellectual Capital | H Human Capital |
| SR Social & Relationship Capital | N Natural Capital |

Material Matters

- | | | |
|--|----------------------------------|-------------------------|
| Health and Safety | Human Rights | Waste Management |
| Values, Governance and Business Ethics | Sustainable Supply Chain | Diversity and Inclusion |
| Climate Change | Ocean Health | Digitalisation |
| Energy Management | Security | Cybersecurity |
| Financial Performance | Talent Development and Retention | Community Investment |

SDGs



Risks

- | | |
|---|---|
| Increasing Climate-Related Regulations and Requirements | Asset Availability, Utilisation and Marketability |
| Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions | Governance and Integrity |
| Technology Developments | Health and Safety |
| Geopolitical Instability | Cybersecurity |
| Project Management | Talent Development and Retention |

Stakeholders

- | | |
|---|-------------------------|
| Government/Regulators | Communities |
| Shareholders/Investors/Financial Services Providers | Industry Peers |
| Customers | Academic Organisations |
| Employees | Trade Associations/NGOs |
| Business Partners/Suppliers & Vendors | Media |



Overview

We are pleased to present MISC Berhad’s (“MISC” or “the Group”) Integrated Annual Report 2023. The purpose of this report is to provide a balanced and fair assessment of how we create value for our diverse stakeholders.

This report presents a factual narrative of our material matters, business strategies, risks, corporate governance as well as financial and non-financial performance. It also seeks to underscore our relentless drive towards innovation and low-carbon solutions, creating value for our shareholders and stakeholders alike.

Reporting Scope and Boundaries

This Integrated Annual Report (IAR) provides disclosures on MISC Berhad, its subsidiaries, associates and joint ventures, which are referred to as MISC or the Group throughout the report. It covers the full calendar year from 1 January to 31 December 2023, unless stated otherwise. The report also includes any material events that occurred after this date up to the date of publication.

The information presented relates to the Group’s business activities and operations which cover Gas Assets & Solutions, Petroleum & Product Shipping, Offshore Business, Marine & Heavy Engineering, Marine Services and Maritime Education & Training.

Materiality

The information presented in this IAR is based on material matters that are most important to our business and stakeholders. In determining our material matters, we took into consideration issues that impact our ability to deploy our strategies or create shared value and long-term financial and non-financial performance; the risks identified; and the interests of our key stakeholders.

Demonstrating Our Integrated Thinking

We provide an overview of the Group’s ability to create value by implementing corporate and sustainability strategies. We identified the linkages, impacts and synergies between our financial and non-financial capitals, material topics, stakeholder expectations, strategic objectives, risks and opportunities.

Sustainability Risks and Governance

In all markets where we operate, material economic, environmental, social and governance (EES&G) principles are taken into consideration when creating our strategies, policies and initiatives. We have also integrated EES&G risk management approaches into our performance modelling.

Assurance

The financial information in this report is based on the consolidated Audited Financial Statements for the year ended 31 December 2023, audited by Ernst & Young PLT. Fuel consumption and vessel data have undergone third-party verification by DNV, ensuring compliance with the Ship Energy Efficiency Management Plan (SEEMP) and MARPOL Convention Regulation 22A.

Exclusions

The information is guided by our appetite for disclosure. We have withheld information that falls within the following categories:

- Information that would jeopardise our strategic and competitive advantage;
- Information that we are contractually precluded from sharing; and
- Information which we are unable to verify.

Forward-Looking Statements

This IAR incorporates forward-looking statements that represent the Group’s expectations of its future value creation prospects. These forward-looking statements involve a marked degree of uncertainty, given the dynamic nature of the operating environment and the inherent uncertainties within the industry in which MISC operates. Actual outcomes may deviate from the projections outlined in the forward-looking statements.

Responsibility Statement

The Board of Directors acknowledges its responsibility in ensuring the integrity of the MISC Berhad Integrated Annual Report 2023. In the Board’s opinion, this report has addressed all material issues and matters and fairly presents the Group’s performance for the year 2023. This report has been prepared in accordance with the International Integrated Reporting <IR> Framework.

Approved by the Board of Directors on 26 February 2024 and signed on behalf of the Board:

DATUK ABU HURAIRA ABU YAZID
Chairman

CAPTAIN RAJALINGAM SUBRAMANIAM
President/Group Chief Executive Officer

MISC’s 2023 Integrated Reporting Suite

For 2023, we have provided disclosures based on the following reporting frameworks:



INTEGRATED ANNUAL REPORT (IAR) 2023

Offers shareholders and stakeholders a balanced and comprehensive overview of our financial and non-financial performance. It includes insights into the external environment, our business model, strategy, achievements, financial statements, material matters, corporate governance and risk management.



SUSTAINABILITY REPORT (SR) 2023

Details our initiatives, outcomes and performance in key Environmental, Social and Governance (ESG) areas, enhancing transparency in our ESG efforts. This report also encompasses our Task Force on Climate-related Financial Disclosures Report.



FINANCIAL REPORT (FR) 2023

Provides detailed financial disclosures, including the Directors’ Report, Audited Financial Statements and Independent Auditors’ Report, catering to shareholders, investors, analysts and other interested parties.

Key Frameworks Applied	IAR	SR	FR
International <IR> Framework issued by the IFRS Foundation in 2021	✓		
Main Market Listing Requirements (MMLR) issued by Bursa Malaysia	✓		✓
Companies Act 2016 (CA 2016)	✓		✓
Malaysian Code on Corporate Governance 2021	✓		✓
Corporate Governance Guide (4 th Edition) issued by Bursa Malaysia	✓		
Malaysian Financial Reporting Standards (MFRS)	✓		✓
International Financial Reporting Standards (IFRS)	✓		✓
Bursa Malaysia Sustainability Reporting Guide		✓	
Global Reporting Initiative (GRI) Standards		✓	
Sustainability Accounting Standards Board (SASB) Standards		✓	
Dow Jones Sustainability Indices (DJSI)		✓	
Carbon Disclosure Project (CDP)		✓	
FTSE4Good Bursa Malaysia Index		✓	
Task Force on Climate-related Financial Disclosures (TCFD)		✓	
AA1000 Stakeholder Engagement Standard		✓	
United Nations Global Compact Guiding Principles		✓	
United Nations Guiding Principles on Business and Human Rights		✓	
Principles of Climate Governance by World Economic Forum		✓	
United Nations Sustainable Development Goals (UNSDGs)		✓	
Morningstar Sustainalytics ESG Risk Ratings		✓	
MSCI ESG ratings		✓	

Section 2

ABOUT MISC

- 8 Who We Are
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Who We Are

Who We Are

Our Vision

To consistently provide better energy-related maritime solutions and services

Our Mission

To be consistently better, we strive to:

- Exceed the expectations of our customers
- Promote individual and team excellence of our employees
- Create a positive difference to the lives of communities
- Care for the environment and operate responsibly
- Drive sustainable value for our shareholders



MISC Berhad is a world leading provider of international energy-related maritime solutions and services. The Group's principal businesses comprise energy shipping and its related activities, owning and operating offshore floating solutions, marine repair and conversion, engineering and construction works, integrated marine services, port management and maritime services, as well as maritime education and training.

Our extensive global footprint allows us to deliver a wide range of solutions that cater to various areas within the maritime-related energy value chain. At the heart of MISC Group's success is our modern and diversified fleet of vessels and floating assets, complemented by the expertise of our diverse global workforce at sea and shore.

Our Shared Values

Loyalty



Loyal to corporation

Integrity



Honest and upright

Professionalism



Strive for excellence

Cohesiveness



United, trust and respect for each other

Our Key Highlights

Strong Track Record

55
years of sterling track record in delivering energy-related maritime solutions and services

Global Operations*

Operating presence in **11 countries** globally, moving energy across **6 continents**

Market Strength

Among the world's leading shipping conglomerates



Market Capitalisation: **RM32.8 billion**

Fleet Strength



Modern fleet of **104** LNG, Petroleum and Product vessels

Reputable Floating Production System Owner-Operator with **13** assets



Over 10,000 sea and shore employees **from over 40 diverse nationalities**

Strong Credit Ratings

in the marine transport sector

Moody's

Moody's Ratings **Baa2 (Stable)**

S&P Global Ratings

S&P Global Ratings **BBB+ (Stable)**

* For more information on where we operate, please refer to MISC's corporate website at <https://www.miscgroup.com/about-us/where-we-operate>

Our Strengths

Diversified business portfolio and track record of operational excellence

Sustainable partnerships with key industry players

Stable cash flow with strong discipline in risk and financial management

Integrated commercial viability and ESG priorities in our business operations

Highly experienced leaders, operating within a strong governance framework

What We Do

What We Do

01 Gas Assets & Solutions

Our Gas Assets & Solutions (GAS) segment specialises in transporting liquefied natural gas (LNG) and ethane while continuously looking into new opportunities for gas asset-based solutions. We prioritise operational excellence, backed by strong track record of timely deliveries. Our continuous investments in modern, fuel-efficient LNG carrier (LNGC) vessels and new technologies reinforce our competitive edge.

Please refer to Gas Assets & Solutions Business Review on page 80 for more information.

02 Petroleum & Product Shipping

We own and operate a diverse fleet of conventional tankers and specialised assets in all key geographies to deliver services to global energy companies, refiners and traders. Our product fleet transports a wide range of petroleum products and our specialised assets provide support to the oil and gas industry. We remain at the forefront of advancing shipping solutions across the industry with modern and eco-efficient vessels including LNG dual-fuel vessels.

Please refer to Petroleum & Product Shipping Business Review on page 83 for more information.

03 Offshore Business

We are owners and operators of floating production systems across various locations globally, offering a comprehensive suite of services tailored to meet the dynamic floating solutions needs of the offshore business landscape from shallow to ultra-deepwater field developments.

Please refer to Offshore Business Review on page 86 for more information.

Fleet Strength

- 40 vessels



Membrane-type LNGC
The membrane-type system has a higher capacity than Moss-type vessel with space efficient containment systems.



Moss-type LNGC
The Moss-type vessel has self-supporting spherical tanks that is robust and reduces sloshing.



LNG Bunker Vessel (LBV)
An LBV supplies LNG as marine fuel (bunker) to LNG-fuelled vessels via ship-to-ship transfer operations.



Floating Storage Unit (FSU)
An FSU is a flexible LNG storage solution and an alternative to land-based facilities.



Very Large Ethane Carrier (VLEC)
A VLEC is a specialised gas carrier that transports liquefied ethane at -94° celsius in membrane tanks for over long distances. The vessel is equipped with dual-fuel propulsion and reliquefaction systems.

- 14 vessels under construction

Fleet Strength

- 64 vessels



Very Large Crude Carrier (VLCC)
A VLCC has the capacity to transport approximately two million barrels of crude oil over long distances to facilitate inter-regional trades.



Suezmax Tanker
A suezmax tanker has a capacity of shipping approximately one million barrels of crude oil, with the flexibility to do longer-haul cargo as well as shorter, regional trades.



Aframax Tanker
An aframax tanker has the capacity to transport approximately 0.7 million barrels of crude oil. Used to carry crude oil or dirty products such as fuel oil in mainly regional trades.

* Includes 2 modular capture vessels (MCVs).



Dynamic Positioning Shuttle Tanker (DPST)
A DPST utilises dynamic positioning technology to load crude from remote offshore production facilities and transports it to the shore for storage or distribution.



Lightering Support Vessel (LSV)
An LSV transports equipment and crew to conduct ship-to-ship cargo transfer operations.



Long Range 2 (LR2) Tanker
An LR2 tanker is a coated tanker with the capacity to transport approximately 0.7 million barrels and able to carry both clean and dirty products in regional trades.

As at 1 March 2024

Fleet Strength

- 13 offshore floating solutions



Semi-Submersible Floating Production System (Semi-FPS)
A Semi-FPS is equipped with a production facility that separates fluids received from a subsea reservoir through risers into crude oil, natural gas, water and impurities. The extracted oil is exported via a pipeline to an oil and gas terminal, operating at a depth of approximately 1,400 meters.



Floating Production, Storage And Offloading (FPSO)
An FPSO is a vessel-type production system that is designed to stay on location for 20 years or more of continuous operations. It is equipped with production facilities that separate fluids received from a subsea reservoir. Processed crude oil is stored in tanks and offloaded onto tankers for further refining onshore.



Floating Storage And Offloading (FSO)
Simpler than an FPSO, an FSO unit does not have production processing capabilities. It is normally integrated with other production systems such as fixed platforms, mobile offshore production units and tension leg platforms. An FSO is also equipped to store and offload crude oil to a tanker.

As at 1 March 2024

What We Do

04

Marine & Heavy Engineering

Our Marine & Heavy Engineering segment operates one of the largest fabrication yards in Southeast Asia. We specialise in energy offshore construction including deepwater facilities, marine repair, conversion services and marine refurbishment, with a niche focus on LNGCs. Leveraging our expertise, we construct carbon capture facilities, advanced offshore wind farm substations and provide fabrication services for green hydrogen facilities.

Please refer to Marine & Heavy Engineering Business Review on page 89 for more information.

05

Marine Services

We provide a comprehensive range of solutions including ship management, technical advisory services and various maritime services such as port and terminal management, maintenance, ship vetting, vessel inspection, marine assurance and consultancy. Our services are designed to cater to the evolving needs of our diverse clientele and anticipated shifts in the industry.

Please refer to Marine Services Business Review on page 92 for more information.

06

Maritime Education & Training

Our maritime education and training institution, Akademi Laut Malaysia (ALAM), offers a spectrum of maritime courses including nautical and marine engineering programmes, maritime and offshore safety courses, simulator-based courses and maritime management programmes, as well as research and consultancy services.

Please refer to Maritime Education & Training Business Review on page 96 for more information.

What We Do

Key Assets

Heavy Engineering Assets



Marine Business Assets



Heavy Engineering Assets

- We have the largest fabrication area by tonnage capacity in Malaysia, to provide engineering, procurement, construction, installation and commissioning (EPCIC) of complex structures for offshore and onshore facilities

Marine Business Assets

- Our well-equipped yard includes three drydocks, land berths, quays and a shiplift. These facilities enable us to perform repair works, maintenance, marine conversion and refurbishment for a wide range of vessels

Services Performed

Integrated Marine Services



Port Management & Maritime Services



Integrated Marine Services

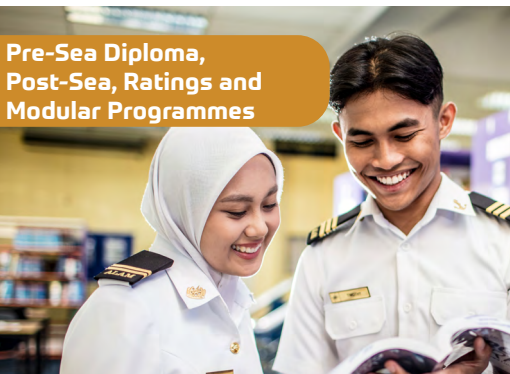
- Ship management, engineering and procurement
- Project management: Supervision and consultancy service for dry docking and newbuilding of vessels

Port Management & Maritime Services

- Port and Terminal Management: Port and terminal operations, pilotage, mooring master, loading master and marine controller, jetty maintenance and single point mooring maintenance
- Marine Services: Ship vetting, offshore vessel inspection, marine assurance and consultancy (ship screening, Tanker Management Self-Assessment, Offshore Vessel Management and Self-Assessment and Roving Marine Marshall Services)

Services Performed

Pre-Sea Diploma, Post-Sea, Ratings and Modular Programmes



Research & Consultancy Services



Pre-Sea Diploma, Post-Sea, Ratings and Modular Programmes

- We provide a broad spectrum of maritime education and training, beyond Standards of Training, Certification and Watchkeeping (STCW)

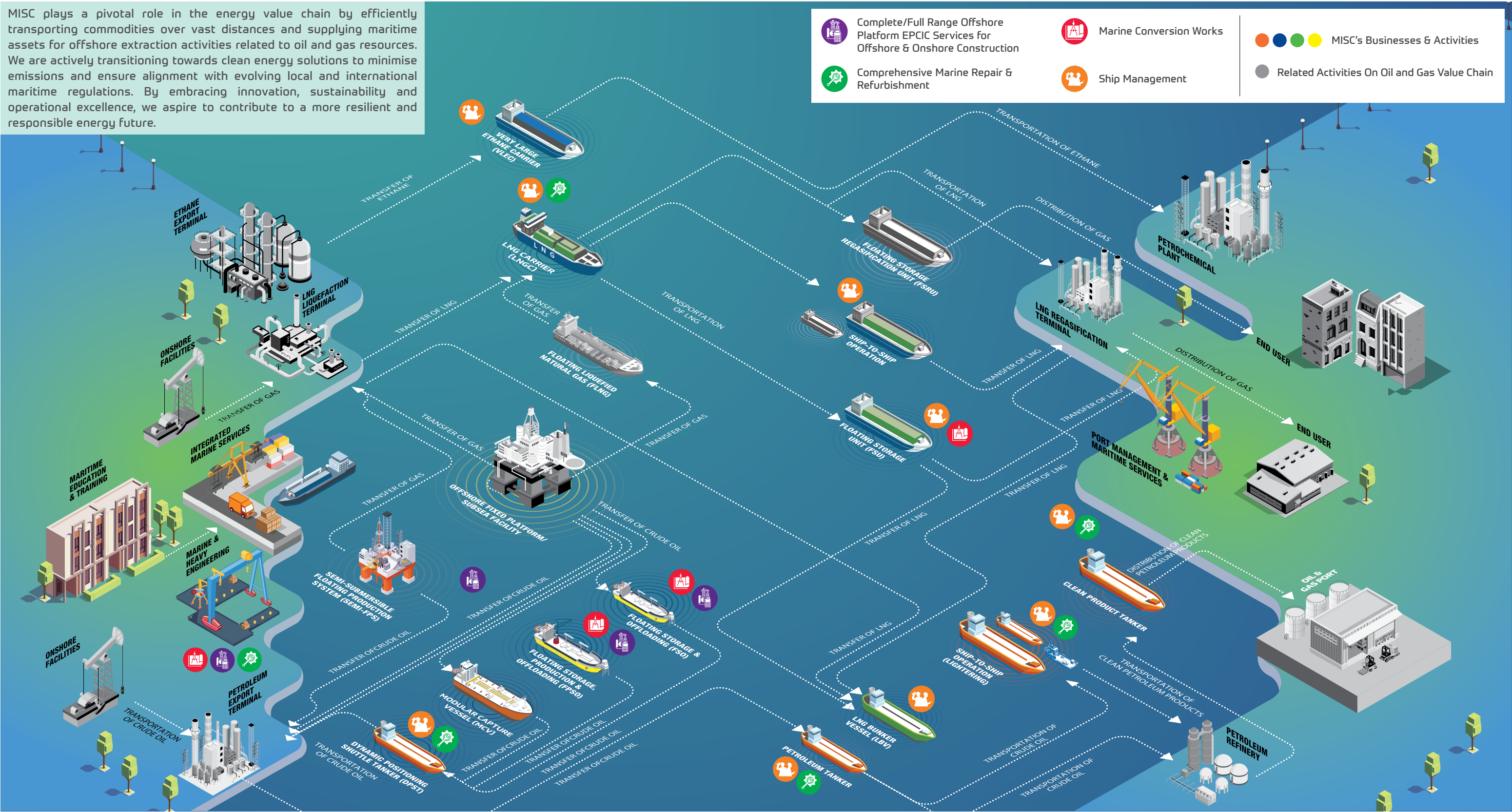
Research and Consultancy Services

- Through our research and consultancy experts we provide flexible solutions encompassing the total lifecycle of port development

How We Move Energy

How We Move Energy

MISC plays a pivotal role in the energy value chain by efficiently transporting commodities over vast distances and supplying maritime assets for offshore extraction activities related to oil and gas resources. We are actively transitioning towards clean energy solutions to minimise emissions and ensure alignment with evolving local and international maritime regulations. By embracing innovation, sustainability and operational excellence, we aspire to contribute to a more resilient and responsible energy future.



Section 3

KEY MESSAGES

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Chairman’s Message

Chairman’s Message



DATUK ABU HURAIRA ABU YAZID
Chairman

Dear Stakeholders,

In 2023, MISC continued to face a vulnerable landscape with a combined threat of geopolitical conflicts, inflation, energy security and climate crisis. Geopolitical tensions disrupted supply chains and escalated costs, compounded by the rapid energy transition and lingering impacts of the pandemic. Despite these challenges, as a leader in the shipping industry, we have demonstrated our ability to adapt and lead with agility and foresight. Our approach during these uncertain times is to remain steadfast in our performance and delivery. We recognise these challenges as opportunities to emerge as an industry leader in a low-carbon economy, while ensuring that we continue to meet current energy demands. By balancing our core energy business with low-carbon ventures, we strive to forge a path towards a more resilient future, benefitting both our business and the communities we serve.

The Dynamic Landscape of 2023

This year, we navigated through a complex landscape shaped by concerns related to climate, conflict, cost and credit – each presenting MISC with unique challenges and opportunities.

The ongoing Russia-Ukraine conflict, in particular, has significantly impacted our operations by disrupting supply chains and increasing costs. Recent tensions in the Middle East which triggered the Red Sea crisis, could potentially escalate to other countries in the region and disrupt international shipping routes. These geopolitical developments are also affecting trade and economic stability. We maintained our steer to meet our stakeholders’ commitment with minimal operational disruptions and stability in the face of these global challenges.

Concurrently, the climate urgency was evident in the rapid and extensive energy transition, with the maritime sector evolving in tandem. A notable enhancement this year was the establishment of emissions reduction targets by the International Maritime Organization (IMO), aiming for substantial greenhouse gas (GHG) reductions by 2030 and 2040. The global energy transition also rippled into Malaysia, exemplified by the launch of Malaysia’s National Energy Transition Roadmap (NETR). At MISC, we embraced these global and national developments, shaping our GHG emissions reduction target of 50% by 2030 and pursuing Net-Zero emissions by 2050. A major milestone in our decarbonisation journey was the establishment of MISC’s Internal Carbon Pricing (ICP) Framework in 2023. Although this was not mandated by regulation, the ICP Framework underscores our proactive approach to sustainability and our ambition to exceed mere compliance.

The economic implications of the operating environment, particularly those associated with the energy transition, require substantial financial commitments to decarbonise the shipping sector. Consistent with the economic and environmental forces shaping the world, MISC will be allocating a portion of our capital expenditure (CAPEX) towards clean energy solutions with the approach of balancing investments in new asset solutions while maintaining our strong credit ratings from S&P and Moody’s.

Transitioning to a low-carbon industry requires collaborative efforts to drive sector-wide change. By partnering with like-minded stakeholders including financial institutions who share our aspirations to achieve a lower carbon future, we aim to build a supportive ecosystem that advances environmental objectives while ensuring the economic viability of our operations.

The MISC Group secured a Sustainability-Linked USD527 million Senior Secured Term Loan for six VLECs, marking MISC’s first foray into sustainability-linked financing. This 11-year non-recourse loan was recognised as the “Sustainability-Linked Deal of the Year for Asia” by Marine Money.

Delivering Value to our Shareholders with Strong Profit Growth

Our approach to business at MISC is grounded on the principle of creating sustainable value, for our diverse stakeholders. In FY2023, MISC continued to create value for our shareholders.

We recorded a profit before tax of RM2,093.7 million (11.7% year-on-year growth). The Board declared a higher total dividend of 36 sen per share compared to 2022. We distributed a larger dividend equivalent of RM1,606.9 million to share our achievements with our shareholders.

Our Significant Achievements

We successfully delivered two dual-fuel VLCCs in 2023 and another one in early 2024. This marks a significant stride in our journey towards long-term investments in clean energy solutions and MISC’s strong commitment towards our decarbonisation journey.

Another significant achievement was the FPSO Marechal Duque de Caxias sail away in February 2024 with no critical non-conformances and a safety record of 28 million man-hours with zero lost time injury (LTI).

These accomplishments reflect our capability to continue to execute complex projects and operate effectively towards achieving our strategic business goals.



Chairman’s Message

Chairman’s Message

Driving a Sustainable Future

Testament to our value creation ability, MISC was honoured to attain the Green Ship status for our two LNGCs, *Seri Daya* and *Seri Damai*, making them the second and third vessels within the Group, following our first dual-fuel VLCC, *Eagle Valence* in 2022.

Our commitment to value creation extends beyond our operational boundaries to include the wider ecosystem of communities. Through strategic community investments such as cadet sponsorships at ALAM and other maritime education scholarships, we are dedicated to nurturing the next generation of maritime professionals. As the industry undergoes transformation, it is essential to equip a skilled workforce capable of embracing emerging challenges. In 2023, we invested RM29.6 million in cadet sponsorships for current and new students at ALAM, totalling 829 cadets. This reaffirms our commitment to cultivating the future leaders of the maritime sector.

Strong Governance & Leadership

In 2023, MISC’s Board of Directors (Board) adopted a balanced and dynamic approach, building upon insights from the 2022 Board Effectiveness Evaluation (BEE). The Board rigorously challenged existing business models, assessed the future prospects of underperforming assets and actively looked at new opportunities amid the global energy transition and decarbonisation efforts.

Building on this foundation, MISC’s leadership emphasised the importance of adaptability and future-proofing, particularly in response to emerging trends such as climate change and digital transformation. The Board Nomination & Remuneration Committee (BNRC) facilitated ongoing training programmes and conducted an annual skill matrix analysis to ensure our leadership team remained versatile, knowledgeable and diverse. Collaborating with external niche-industry leaders enables us to integrate specialised knowledge in areas such as cybersecurity and digital transformation into our strategy.



Moving Forward

With the development of unconventional energy sources, we see structural changes to the maritime industry scene globally. In response to these multifaceted challenges, MISC is strategically balancing our conventional business with aggressive decarbonisation efforts across our business segments. Apart from partnering with like-minded stakeholders, MISC will pursue selective investments with a balanced approach to optimise the returns of our portfolio while staying aligned with the evolving energy market.

Our efforts will be supported by the enhancement of our organisational culture and behaviour and the adoption of a broader international mindset while we continue to invest in the reskilling and upskilling of our workforce to meet the challenges of tomorrow.

Acknowledgement & Appreciation

On behalf of the Board of MISC, I would like to express our sincere appreciation to everyone who has supported us through the dynamic challenges and opportunities in 2023.

We acknowledge the valuable services of Datuk Nasarudin Md Idris and Dato’ Rozalila Abdul Rahman, who retired on 1 September 2023, as well as Dato’ Ab. Halim Mohyiddin and Dato’ Sekhar Krishnan, who retired on 15 January 2024. Our past Independent Non-Executive Directors have made lasting contributions to our company and we are grateful for their dedication and guidance.

To our stakeholders – our dedicated employees, loyal customers, supportive vendors, committed shareholders and all partners who have stood by us – your continued trust and support have been fundamental to our progress. The path to sustainability is not a solitary pursuit but a collaborative effort, requiring the collective strength and commitment of all our stakeholders. With your continued partnership, we are confident that the years to come will be marked by growth, innovation and shared success.

Once again, thank you for your steadfast support and trust. Together, we forge ahead, committed to creating a sustainable legacy that will resonate for generations to come.

DATUK ABU HURAIRA ABU YAZID
Chairman

President/Group Chief Executive Officer’s Message



Dear Stakeholders,

2023 was a dynamic year. Recent times have unveiled challenges of unprecedented scale, from the impacts of COVID-19, worsening geopolitical tensions to society’s intensifying demand to accelerate the energy transition. In 2023 these challenges prompted a critical reflection – how do we translate our ambition into action?

This year has been a testament to such perspective, signifying a pivotal period of strategic recalibration and operational advancement for MISC, as we forge ahead in the shift from emissions to solutions. A year where we have again shown resiliency as a team.

A Review of 2023

2023 was a year of project execution, ambition setting and laying the groundwork for future success. A strategic business review was conducted, leading to various structural adjustments within the group. These adjustments are essential for the successful implementation of our strategy, aimed at delivering sustainable financial returns and reducing GHG emissions in line with our ambitious targets.

MISC delivered robust financial returns and improved year-on-year performance. Group revenue rose 2.9% to RM14,271.7 million in FY2023 compared to RM13,867.0 million in FY2022, while profit before tax increased by 11.7% to RM2,093.7 million in FY2023, as compared to RM1,874.3 million in FY2022 – improving our returns to shareholders.

The Group recorded cash flows from operating activities (CFO) of RM5,696.3 million in 2023. Excluding the CAPEX relating to the MERO 3 Project and the one-off FSU prepayments, MISC would have had an adjusted CFO of RM6,536.1 million in FY2023, a 14.2% increase from 2022. Our balance sheet continues to demonstrate resilience, evidenced by the reduction in our net gearing ratio from 0.28 to 0.25. MISC’s credit rating remains investment grade and is one of the highest in the shipping industry. This recognition reflects the strong financial positions of both our company and our major shareholder.

As a result of our healthy financial position and after taking into account our future CAPEX requirements, our Board declared an increased dividend of 36 sen per share for 2023, surpassing that of prior years.

Strategic Progress & Highlights

As outlined in my message last year, our focus for 2023 was to prioritise project execution while remaining open to opportunistic investments which met our strategic aims and created long-term shareholder value.

We completed a strategic business review in 2023, strengthening our foundation for the future. This has led to the development of our MISC 2030 Aspiration. This formed the basis to strengthen our foundation to grow our core business, as well as commence our pivot to support a low-carbon future. We also took the decision to merge two of our divisions, Port Management & Maritime Services and Integrated Marine Services into a unified segment, Marine Services. The merger, which should complete in 2024, will allow our services arm to scale up and enhance our capabilities to support our growing business requirements, for the medium and long-term. In addition, after a successful incubation year, the New Energy and Decarbonisation (NED) unit established in 2023 shall become a full-fledged business division in 2024, amplifying our efforts in this critical area.

President/Group Chief Executive Officer’s Message

We achieved a significant milestone with the sail away of FPSO *Marechal Duque de Caxias* from Yantai, China to the Mero field of the Santos Basin in offshore Brazil. This FPSO is our Group’s first ultra-deepwater asset and is amongst the largest of its kind, with first oil scheduled in the second half of 2024. Our team navigated the significant challenges of the COVID-19 pandemic and the consequent supply chain issues and completed the construction phase, safely with 28 million man-hours LTI free. I commend them for their relentless focus on project execution and excellence.

We successfully delivered two new LNGCs and two new eco-friendly LNG dual-fuel VLCCs into long-term charters, with the third delivered to our client in early 2024. These vessels will bolster our secured income profile and reinforce our commitment to reducing our carbon footprint.

Through MHB, we successfully secured a contract for an Offshore Submersible High Voltage Direct Current (HVDC) project. This marked a notable milestone for the Group as we venture into the renewable energy sector.

Additionally, we entered into a binding Heads of Agreement with Pengerang LNG (Two) Sdn. Bhd. for the supply, operation and maintenance of an FSU for a 20-year period, repurposing and extending the operational lifespan of our nominee vessel, *Puteri Delima Satu*, securing future cash flows, while supporting the national energy transition in Malaysia using LNG as a transitional fuel.

Prioritising HSSE

At MISC, safety is paramount. Throughout the year, we launched several initiatives aimed at enhancing workplace safety, preserving the environment and upholding regulatory compliance. Whilst our group cultural maturity survey results have improved, we have experienced unfortunate Health, Safety, Security and Environment (HSSE) related incidents and injuries. We have conducted an exhaustive review of our frontline processes and reinforced the “Tone at the Top” throughout the group. The HSSE management of our contracting partners is an area of focus for the coming years.

Sustainable Maritime Leadership

It is our priority to deliver the energy the world needs today in a responsible manner that minimises our carbon footprint and impact on tomorrow.

We continue to advocate internationally for tangible action towards delivering an equitable and resilient transition. In 2023, we were able to provide a voice for Malaysia, Southeast Asia and our industry at several events including the launch of the Clean Energy Marine Hubs at the G20 in Goa and the Shaping the Future of Shipping Summit at COP28. In addition to these engagements, we remain active in several industry bodies such as the Global Maritime Forum, INTERTANKO and SIGTTO. Our leaders have been involved in a number of these industry bodies, which allows MISC to address industry issues as well as provide our input in shaping industry policies.



FPSO *Marechal Duque de Caxias* sailed away safely in February 2024 with 28 million man-hours LTI free

President/Group Chief Executive Officer’s Message

President/Group Chief Executive Officer’s Message

The Group has introduced the MISC 2030 Aspiration, serving as a rallying call to mobilise our workforce to progress towards a Net-Zero and circular economy as envisaged in our MISC 2050 Vision. In this regard, we have set ourselves ambitious targets to meet our own responsibilities. We are committed to reducing the carbon intensity of our shipping operations by 50% by 2030, with an aspiration to reduce our total GHG emissions by 50% by 2030. These goals are well ahead of those contained in the IMO strategy on reduction of GHG Emissions and represent our commitment to decarbonising responsibly. We aspire to do this while simultaneously increasing our CFO sustainably, from our core and new business solutions across the Group.

Achieving these targets and aspirations involves a dual strategy - delivering sustainable financial returns, while actively developing future low-carbon solutions and reducing the carbon footprint of moving energy today with the technology available. 2023 marked significant progress in this respect, with a commendable 24% decrease in GHG emissions intensity and 17% decrease in total emissions compared to the 2008 baseline.

Through collaborative initiatives across the industry, we are exploring innovative solutions such as low and zero-carbon emission vessels and carbon capture and storage (CCS) technologies. In 2023, we secured Approval in Principle (AiP) for our innovative Floating CO₂ Storage Unit (FCSU) with injection capability (FCSU-I), a dynamic and versatile solution which addresses a critical gap in the CCS value chain by providing seamless transportation and storage solutions to CO₂ emitters without access to nearby sequestration sites. Work in developing ammonia-fuelled zero-emission vessels (ZEVs) has also continued through the Castor Initiative. We hope to have our first ammonia ZEVs on the water by 2027. As a Group, we have the capabilities to develop the safety standards, competent staff to manage the vessels and design development capabilities to enable this very significant step for maritime decarbonisation. This is also aligned with our shareholders’ and stakeholders’ aspirations.

Recognising our commitment to environmental excellence, two of our latest LNGCs, *Seri Damai* and *Seri Daya* were recognised with the Green Ship status by the Singapore Registry of Ships. Further, we successfully implemented Shaft Power Limitation (ShaPoLi) across our fleet to ensure the environmental responsibility and compliance of our older vessels with IMO Energy Efficiency Existing Ship Index (EEXI)/Carbon Intensity Indicator (CII) requirements.



Meanwhile, our Offshore Business segment unveiled an innovative design for a Newbuild Floating Production, Storage & Offloading (NBFPSO) Unit with Mega-Module Engineering and Green Architecture (MMEGA) at OTC Houston 2023. This pioneering FPSO has received AiP and the SUSTAIN-1 notation from the American Bureau of Shipping, showcasing a 40% reduction in greenhouse gas emissions compared to similar assets. The Offshore Business segment has also undertaken initiatives to develop designs incorporating OxyFuel Power generation and an ammonia FPSO. These efforts underscore our commitment to minimising carbon emissions per barrel extracted.

We also continue to seek innovative green financing deals tailored to support our low-carbon initiatives and decarbonisation efforts. We are honoured to have been awarded the “Sustainability-Linked Deal of the Year for Asia” by Marine Money in 2023, for the USD527 million Senior Secured Term Loan for six VLECs.

Elevating Employee Well-being and Talent Optimisation

At the core of our organisational ethos lies a steadfast commitment to nurturing employee well-being and fostering a safe workplace environment. We advocate continuous engagement through various initiatives, including regular townhall sessions conducted by our management team throughout the year and we actively encourage employees to participate in one-on-one check-ins with their leaders.

In alignment with our dedication to cultivating a robust HSSE culture, we have conducted workshops aimed at illuminating the critical importance of managing emotional well-being, including training in mental health first aiders.

To meet changing expectations, we have streamlined our talent attraction model and introduced a contingent workforce policy. This strategic move affords us the agility to swiftly and efficiently recruit and onboard a diverse pool of skilled professionals as needed. Recognising the significance of talent mobility in driving organisational growth, we have embarked on enhancing our internal talent mobility programmes. These initiatives are designed to facilitate purposeful development and seamless movement of emerging leaders across our organisation, ensuring both cultural alignment and talent integration at every step of the journey. Additionally, we provide targeted mentoring to identified successors, bolstering their readiness to assume key leadership roles within the organisation.

In our commitment to ensuring our workforce remains ahead of the curve, talent upskilling and reskilling remain as pivotal strategies. During the year, we introduced LinkedIn Learning for our employees, providing them accessibility to a variety of learning content at their convenience. Through the continuous and proactive partnership between Marine Services and ALAM, we have spearheaded initiatives to equip our seafarers with essential competencies in navigating towards a low-carbon future at sea or transitioning to a career onshore.

Looking Ahead into 2024

As we venture into 2024, continuing uncertainties mean there will inevitably be challenges to overcome. But there will also be opportunities and the shifting landscape underscores the importance of resilience, adaptability and foresight in our operations, as we seek to harness these.

The IMO has adopted revised GHG emissions targets, which now serve as a benchmark for change within the industry. As advocates for sustainability, we recognise the imperative to not only meet these targets but exceed them. Through innovation, collaboration and a commitment to environmental stewardship, we aim to position ourselves at the forefront of the energy

transition, responsibly driving meaningful change within our industry.

In 2023, we undertook a comprehensive reassessment of our business portfolio and strategy, laying the groundwork for these transformative years ahead. As we transition from ambition to action in 2024, I believe we are well-placed to capitalise on emerging opportunities, navigate external uncertainties with resilience and chart a course towards sustainable growth. With a clear vision and determination, we stand ready to embrace the challenges and possibilities that lie ahead, confident in our ability to deliver value to our stakeholders while driving positive change.

The pessimist complains about the wind, the optimist expects it to change whilst the realist adjusts the sail. Our team remain optimistic to be positive influencers for change, but realistic to adjust our sails and capture the emerging opportunities for a sustainable future together.

Acknowledging Board and Leadership Transitions

On behalf of MISC management, I would like to extend our sincere appreciation to Datuk Nasarudin Md Idris and Dato’ Rozalila Abdul Rahman, both of whom retired as Independent Non-Executive Directors (INEDs) of MISC on 1 September 2023. Additionally, we take this opportunity to express gratitude to Dato’ Ab. Halim Mohyiddin and Dato’ Sekhar Krishnan, who retired as INEDs in January 2024.

My sincere thanks to all leaders past and present at MISC who have contributed to strengthening the foundation of this organisation and building upon its success. My thanks to our Board members for their continued guidance to the management.

We believe we have improved stakeholder and shareholder value. Our thanks for your continued trust and support. We remain committed to do our best as a team for all our stakeholders.

CAPTAIN RAJALINGAM SUBRAMANIAM
President/Group Chief Executive Officer

Vice President’s Message
Corporate Planning & Group Finance

Vice President’s Message
Corporate Planning & Group Finance

STRATEGIC OVERVIEW



RAJA AZLAN SHAH RAJA AZWA
Vice President, Corporate Planning
(effective 1 March 2024)
Vice President, Group Finance
(until 29 February 2024)

Dear Stakeholders,

In the context of our industry’s constantly evolving landscape, the Group faced various challenges that arose from macroeconomic and geopolitical developments. The uncertainties stemming from the Russia-Ukraine and Middle East conflicts amidst an unfavourable global interest rate environment, continue to cast a shadow over the global economic landscape. At MISC, we remain committed in transitioning towards the clean energy sector, leveraging on our core strengths in project delivery and asset optimisation to drive growth.

● Navigating Market Uncertainties and Energy Transition

The global economy continued to be affected by geopolitical tensions, particularly supply chain disruptions that led to volatility of global energy markets. Concurrently, the continuing tensions in the Middle East have escalated and disrupted trade flows. In addition China’s sluggish recovery and the tightening of monetary policies which have led to higher interest rates and financing costs, are exposing economic growth to downside risks.

The shift to a clean energy economy is gathering momentum, with the peak in global oil and gas demand in sight before the end of the next decade. In an environment heightened by supply demand volatility driven by sudden shifts in the market and accelerated energy transition, we recognise that this will require the industry to collectively address infrastructure challenges in the ecosystem and to ensure concerted initiatives towards the development of clean energy solutions. Additionally, the financing landscape in securing funding for conventional projects has become increasingly challenging.

Against this backdrop, we remained resilient in efficiently executing ongoing projects while exercising prudent investment decisions. We placed a greater emphasis on securing long-term contracts with strategic clients to deliver sustainable value by focusing on project delivery and execution excellence, while strengthening our ESG commitments.

● MISC’s Strategic Initiatives and Achievements in 2023

Our strategic emphasis in 2023 was based on three key pillars – Selective Investments and Project Delivery Excellence, Pacing Growth to Ensure Sustainability and Strategic Business Review. These pillars define our trajectory towards our long-term success, encapsulating our commitment to generate secured and recurring cash flows; pursue sustainable business practices and gradually reshape our business portfolio.

This year we intensified our efforts to embed sustainability across all our operations. A notable achievement was the successful delivery of two dual-fuel VLCCs (a third LNG dual-fuel VLCC was delivered in early 2024) and the introduction of the NBFPSO with Mega-Module Engineering and Green Architecture (MMEGA). This innovative solution has the potential to achieve a 40% reduction in GHG emissions compared to similar-sized FPSOs, thus aligning with our Net-Zero commitments. Setting an exemplary leadership in reducing GHG emissions in the shipping industry, *Seri Damai* and *Seri Daya* were recognised with the prestigious Green Ship status. In addition, we were awarded the “Alternative-Fuelled Vessel Design of the Year” at the Marine Fuels 360 Awards.

In line with our strategy, we actively collaborate with industry partners to combine our strengths and accelerate the development of new opportunities. MISC signed a Term Sheet with PETRONAS CCS Ventures and Mitsui O.S.K. Lines, Ltd. (MOL), for the

potential incorporation of a joint venture entity to invest in developing Liquefied Carbon Dioxide (LCO₂) carriers. Another notable highlight is the AiP from DNV for our innovative FCSU and FCSU-I concept that was jointly developed with Samsung Heavy Industries (SHI).

As we progress steadily in our sustainability journey, our achievements include MISC obtaining market recognition for our ESG excellence where we were accorded The Edge ESG Award 2023 - Silver Award under the Equities Category (Transport & Logistics) and The Star ESG Positive Impact Awards 2022 under the Large Companies Tier for the Environmental Category: Sustainable Ecosystems. Another notable achievement is “The Building Trust Awards 2023” by PwC Malaysia for making great strides in stakeholder governance.

During the year, as one of the strategic initiatives under MISC 2030 Aspiration, we embarked on a transformative journey that integrated two of our businesses, Port Management & Maritime Services and Integrated Marine Services, into a unified Marine Services segment. This synergistic move, driven by the maritime industry’s evolving dynamics and challenges, aims to expand the depth of service offerings and effectively meet our clients’ and partners’ diverse needs.

In addition, in advancing our pivot towards the clean energy segment, the New Energy and Decarbonisation unit, or NED, was established in 2023 and this initiative has enabled the Group to develop feasible clean solutions for commercialisation. Following a successful incubation period, this unit is poised to evolve into a fully operational business division in 2024.

● Charting the Course for a Low-Carbon Future

Acknowledging the changing dynamics of the global maritime sector, we conducted a thorough review of our business portfolio and strategy to lay a strong foundation for a successful transition towards a low-carbon future.

The MISC 2030 Aspiration focuses on delivering sustainable financial returns to stakeholders while significantly reducing GHG emissions. The key targets under MISC 2030 Aspiration include a 50% improvement in CFO, with the aim of achieving 25% of CFO from clean energy solutions and a 50% reduction in GHG emissions from shipping operations.

We are purpose driven in realising our mission and will continue prioritising our long-term outlook over short-term gains. Industries are entering into the next

cycle of transformation, where opportunities to capitalise on this change will be aplenty. In 2024, our pursuit will concentrate on unlocking value and strategically mitigating risks to fuel growth. Our growth strategy involves sustaining and expanding our conventional business operations responsibly while implementing decarbonisation initiatives for existing assets. An integral aspect of the strategy involves optimising portfolio returns, capitalising on selected asset monetisation opportunities, whilst facilitating a transition into the clean energy sector organically and inorganically. We are dedicated to building a supportive ecosystem through collaboration with like-minded stakeholders, including financial institutions, who share our vision for a lower carbon future.

The rapidly evolving energy sector offers new opportunities, such as carbon capture and storage, ammonia value chain and the development of ZEVs. To this effect, MISC is well-positioned to progress our development into the clean energy value chain, given the synergistic nature of our business segments. In parallel throughout the next year, we will also continue to leverage on the robust demand for conventional assets and be selective on investments that maximise returns for our portfolio.

Our strategic value creation is driven by the sustainability considerations that have been embedded into our business plan. Our Sustainability Strategy ensures that we deliver on the ESG commitments we have made to our stakeholders. In the current year, we implemented the ICP Framework which is a notable progress, enabling us to consider the financial implications of decarbonisation in decision-making and transition risks and opportunities.

Furthermore, in 2023, MISC took a significant step forward by establishing the MISC Group Risk Appetite to govern our business strategies and decision-making processes, ensuring effective risk management as the Group pivots into the clean energy segment.

Beyond driving growth, we will also continuously improve health and safety practices by embedding a Generative HSSE Culture across all facets of our operations, fostering a mature risk culture and embarking on a transformation journey of our enterprise culture to future-proof MISC. Moving forward, we will remain agile, ready to adapt and innovate in anticipation of industry changes, thereby maintaining our competitive advantage in a swiftly transforming market.

Vice President’s Message
Corporate Planning & Group Finance

Vice President’s Message
Corporate Planning & Group Finance

FINANCIAL PERFORMANCE REVIEW

The tightening of monetary policies by central banks globally has led to higher interest rates and financing costs, exposing economic growth to downside risks. Nevertheless, major central banks’ interest rate monetary policies are expected to be nearing their respective cyclical peaks. Despite these challenges, our strategic financial management, including maintaining a high fixed-to-floating rate borrowings ratio, has been instrumental in navigating market volatility. Furthermore, we have tactically deployed excess cash to support projects under construction, thereby optimising our financing cost while maintaining our liquidity position. Overall, MISC delivered solid financial results for FY2023.

Resilient and Sustainable Growth

MISC recorded a 2.9% increase in revenue, contributed by several key achievements across our various operational segments. The Marine & Heavy Engineering segment recorded an increase in revenue from higher progress in both new and ongoing projects. Our Gas Assets & Solutions as well as Petroleum & Product Shipping segments also contributed to the overall revenue growth, benefitting from elevated charter rates during the year. However, our Offshore Business segment recognised lower construction revenue for the MERO 3 Project.

During the year in review, the Group registered a lower operating profit of RM2,881.4 million compared to RM3,102.0 million reported in FY2022. This was largely due to additional cost provisions arising from revised schedule on ongoing projects in the Marine & Heavy Engineering segment. However, both Petroleum & Product Shipping and Gas Assets & Solutions segments recorded higher operating profit from higher revenue as mentioned above.

Despite the lower operating profit, MISC reported a higher profit before tax of RM2,093.7 million in FY2023, an increase of 11.7% from RM1,874.3 million recorded in FY2022 mainly due to higher share of profit from joint ventures and lower impairment charges compared to the previous year.

The Group recorded strong CFO amounting to RM5,696.3 million in FY2023, an increase of RM2,654.2 million compared to RM3,042.1 million in FY2022. This was mainly contributed by the lower payments for costs relating to turnkey activities for the MERO 3 Project in the current year and the charter hire prepayment received for two Floating Storage Units (FSU prepayments) in the Gas Assets & Solutions segment. Additionally, the Group benefitted from the higher charter rates in the Petroleum & Product Shipping segment. Excluding the one-off FSU prepayments and the turnkey activities above, the Group’s adjusted CFO of RM6,536.1 million was higher by RM814.1 million or 14.2% compared to RM5,722.0 million in FY2022. MISC Group’s cash balance remains healthy at RM7,731.6 million which together with the Group’s existing funding facilities should enable us to fund committed CAPEX and pursue targeted strategic investments.

Furthermore, MISC’s balance sheet remained resilient, with total assets growing by 3.8%, as a result of an increase in recognition of contract assets stemming from the MERO 3 Project, coupled with the CAPEX incurred on vessels during the year. The Group exhibited improved financial leverage, evidenced by a reduction in the net gearing ratio from 0.28 to 0.25 from lower borrowings and increased shareholders’ funds. Given our strong balance sheet, S&P and Moody’s reaffirmed MISC’s ratings at BBB+ and Baa2, respectively, reflecting the company’s prudent financial management.

Underscored by our commitment to advance in environmentally responsible practices, our Sustainability-Linked USD527 million Senior Secured Term Loan for six VLECs was awarded the “Sustainability-Linked Deal of the Year for Asia” by Marine Money. The 11-year non-recourse term loan is MISC’s debut sustainability-linked loan which has been structured to align with the Group’s long-term business strategy and sustainability aspirations.

Following our robust financial performance in FY2023, the Board of Directors declared a higher dividend of 36 sen per share, reflecting a dividend payout of over 80% of profit after tax for 2023, demonstrating the company’s commitment to enhance shareholders’ returns.

Overall, MISC recorded commendable results for 2023, thanks to our dedicated and resilient workforce who have worked hard to overcome the challenges and seized the opportunities to deliver strong performance.

Looking Forward

The MISC 2030 Aspiration of 50% improvement in CFO and 25% of the CFO from clean energy solutions is in line with MISC’s strategy to increase shareholders’ returns and to grow the clean energy segment. Going forward, a significant portion of our CAPEX will be directed towards clean energy solutions. MISC remains committed to prudent financial management to sustain our growth trajectory responsibly and deliver long-term value to our shareholders.

RAJA AZLAN SHAH RAJA AZWA
Vice President, Corporate Planning (effective 1 March 2024)
Vice President, Group Finance (until 29 February 2024)



Section 4

HIGHLIGHTS

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34	A Look Back at 2023

Key Highlights 2023

Key Highlights 2023

FINANCIAL

 Revenue
RM14.3 billion

 Operating Profit
RM2.9 billion

 Cash Flows from Operating Activities
RM5.7 billion


 Equity Attributable to Equity Holders of the Corporation
RM39.3 billion

 Total Assets
RM65.1 billion

 Earnings Per Share
47.6 sen

 Dividends Per Share
36.0 sen

ESG EXCELLENCE

 **S&P Global Ratings**
Member of the S&P Global Sustainability Yearbook since 2023

 **FTSE4Good**
FTSE4Good Bursa Malaysia Index for 10 consecutive years

OPERATIONAL EXCELLENCE

Above 99%
Vessel Availability

Above 99%
Vessel Utilisation

Above 90%
Floating Asset Uptime

OPERATING SAFELY & SUSTAINABLY

Zero
Major Security Incidents

Major Cybersecurity Incidents

Major Spill Incidents

24%
Reduction in average GHG intensity by our fleet (gas and petroleum) compared to 2008

3 Fatalities

PEOPLE DEVELOPMENT


Employees

85% Male

15% Female


72 Female
Seafarers in MISC

AWARDS AND RECOGNITIONS




Sustainability-Linked Deal of the Year for Asia

MISC's Sustainability-Linked USD527 million Senior Secured Term Loan for Six VLECs




Chamber Of Shipping Of America (CSA)

AET and Eaglestar awarded with Jones F. Devlin Safety Award for 48 vessels and Environmental Achievement Award for 40 vessels



MPA Green Ship Programme

Seri Damai and Seri Daya achieved Green Ship status



41st Malaysian Society for Occupational Safety and Health (MSOSH) Awards 2023

MISC Group wins One Grand Award, Four Gold Class 1 Award and One Gold Merit Awards




The Edge Malaysia ESG Awards 2023

MISC and MHB were respectively awarded with Silver Award (Transport & Logistics Sector) and Silver Award (Green Transition)



Marine Fuels 360 Awards

Eaglestar awarded with the Alternative-Fuelled Vessel Design of the Year



The Building Trust Awards 2023

Among top 20 companies recognised by PwC for outstanding efforts in building stakeholder trust



The Star ESG Positive Impact Awards 2022

MISC received Silver Award under the Large Companies Tier for the Environmental Category: Sustainable Ecosystems

A Look Back at 2023



• **18 January**

MISC Group marked its foray into CCS solutions through partnerships with MOL, SHI and ANDRITZ AG.



• **13 February**

MHB secured an Engineering, Procurement, Construction and Installation (EPCI) contract from Carigali-PTTEPI Operating Company Sdn Bhd for the provision of EPCI of five wellhead platforms, five subsea pipelines and host tie-ins works in the Malaysia-Thailand Joint Development Area (MTJDA).



• **22 February**

MISC Group collaborated with Valverde Power Solutions, Clean Energy Systems and Aker Solutions to advance oil and gas field decarbonisation utilising the Oxy-Fuel burner technology.



• **27 February**

AET signed a Memorandum of Understanding (MOU) with PETCO Trading Labuan Company Ltd (PTLCL) to explore a potential collaboration to deploy a future zero-emission Aframax.

JAN

FEB

MAR

APR



• **31 January**

Eco-efficient LNGCs, *Seri Damai* and *Seri Daya* joined MISC's fleet.



• **2 March**

A courtesy visit by QatarGas to MISC.



• **18 April**

54th Annual General Meeting of MISC Berhad



• **24 April**

MISC Group's leadership team took the stage during Singapore Maritime Week 2023 to be part of strategic engagements and initiatives with key industry players.



• **2 May**

The world's first future-ready newbuild FPSO concept, MMEGA was unveiled at OTC Houston 2023.



• **23 May**

MISC Group at the Langkawi International Maritime and Aerospace Exhibition (LIMA) 2023.



• **1 June**

MISC's Petroleum arm, AET names Zahid Osman as its President and CEO.



• **8 June**

MISC Group took home the Silver Award for the Environment category, Sustainable Ecosystems at the inaugural ESG Positive Impact Awards 2022 by The Star.

MAY

JUNE



• **22 May**

MISC Group at INTERTANKO's Annual Tanker Event 2023 in Dubai, facilitating exchange of insights and discussions among leaders, experts and enthusiasts in the tanker-owning community.



• **20 June**

AET and ALAM inked milestone Collaboration Agreements with WinGD and DNV. These agreements pave the way for the development of Ammonia Engines for Ammonia Dual-Fueled Vessels, marking a historical milestone as the first of its kind in the world for deep-sea vessels; as well as for research & development and curriculum enhancements, aligning with the industry's shift towards a low and zero-carbon pathway.



• **23 June**

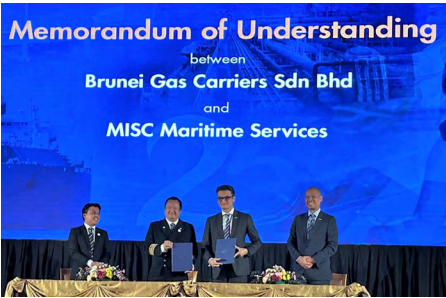
The International Maritime Organization's Secretary-General, H.E Kitack Lim and Captain Mohamad Halim Ahmed, Malaysia Marine Department's Director General of Marine, visited MISC's head office.



• **24 June**

Minister of Transport Malaysia, Yang Berhormat Anthony Loke Siew Fook, launched ALAM's Business & Management Diploma Programmes during the Day of the Seafarer 2023 celebration.

A Look Back at 2023



• 4 July
MMS and Brunei Gas Carriers signed a Memorandum of Understanding (MoU) to unlock synergies and create avenue for regional expansion.



• 11 August
Lloyd's Register visited MISC's head office, engaging in discussions on opportunities and challenges in the maritime industry.



• 28 August
AET took delivery of *Eagle Vellore*, Malaysia's second LNG dual-fuel VLCC and the first to be named in the country, marking a historic milestone in Malaysia's maritime history.

JULY



• 22 July
769 cadets and ratings graduated at ALAM's 122nd Convocation Ceremony.



• 29 August
A courtesy visit by TotalEnergies Trading SA to MISC.



• 30 August
MISC was awarded an AiP by DNV for the innovative FCSU and FCSU-I solution, leading the way in enhancing the efficiency of the CCS value chain within the maritime industry.



• 19 September
MISC entered into a partnership agreement for the sale and charter of two of its existing LNGCs to Nissen Kaiun Co., Ltd.



• 22 September
MISC inked a Term Sheet with PETRONAS CCS Ventures and MOL to jointly develop LCO₂ carriers for CCS projects in Malaysia.



• 25 September
MISC and the China Maritime Safety Administration, jointly organised the '8th LNG Ship Safety Management Workshop' in Shenzhen, China fostering stronger ties for the advancement of the maritime industry.



• 26 September
MISC's USD527 million Senior Secured Term Loan for six VLECs clinched the prestigious Sustainability-Linked Deal of The Year for Asia at the Marine Money Week Asia 2023.

SEPT

OCT



• 18 October
President/Group CEO, Captain Rajalingam, was conferred an Honorary Fellowship from the Association of Malaysia's Maritime Professionals (IKMAL) in recognition of his contributions to the maritime industry.



• 29 October
MMS organised the Port and Maritime Exchange 2023 (POMEX23), providing a valuable platform for stakeholders to actively participate in discussions that aim to propel advancements in the port and maritime industry.



• 31 October
MISC signed a binding Heads of Agreement with PETRONAS Gas Berhad's Pengerang LNG (Two) Sdn. Bhd., for the supply, operation and maintenance of an LNG FSU to be deployed at the PETRONAS LNG Regasification Terminal Pengerang in Johor.

A Look Back at 2023



• **6 November**

MISC celebrated 55 years of maritime excellence, innovation and resilience.



• **6 November**

MISC and MHB were recognised as the recipients of Silver Awards in the Transport & Logistics and Green Transition categories, respectively, at The Edge Malaysia ESG Awards 2023.

NOV



• **16 November**

MISC Group continued its winning streak for the fifth consecutive year at the 41st Malaysian Society for Occupational Safety and Health Awards 2023, sweeping six awards.



• **29 November**

Eaglestar was awarded the Alternative-Fuelled Vessel Design of the Year at the Marine Fuels 360 Awards in Singapore.



• **7 December**

MISC Group's HSSE Partners' Summit 2023 brought together industry players across the maritime and energy-related ecosystem to discuss, learn and exchange perspectives in fostering generative HSSE culture.



• **10 December**

MISC Group participated in various engaging dialogues with global industry leaders, advocating for the development of Clean Energy Hubs during COP28.

DEC



• **18 December**

MISC Group received a courtesy visit from the Malaysian Minister of Transport Malaysia, Yang Berhormat Anthony Loke Siew Fook.



• **18 December**

President/Group CEO Captain Rajalingam's courtesy visit to the Deputy Inspector-General of Police, Yang Berbahagia Datuk Seri Ayob Khan Mydin Pitchay of the Royal Malaysia Police, focused on discussing maritime security to pave the way for future joint initiatives, aligning corporate interests with national security.

Section 5

**VALUE
WE CREATE**

- 42 Our Integrated Approach to Value Creation
- 44 Value Creation Business Model
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Our Integrated Approach to Value Creation

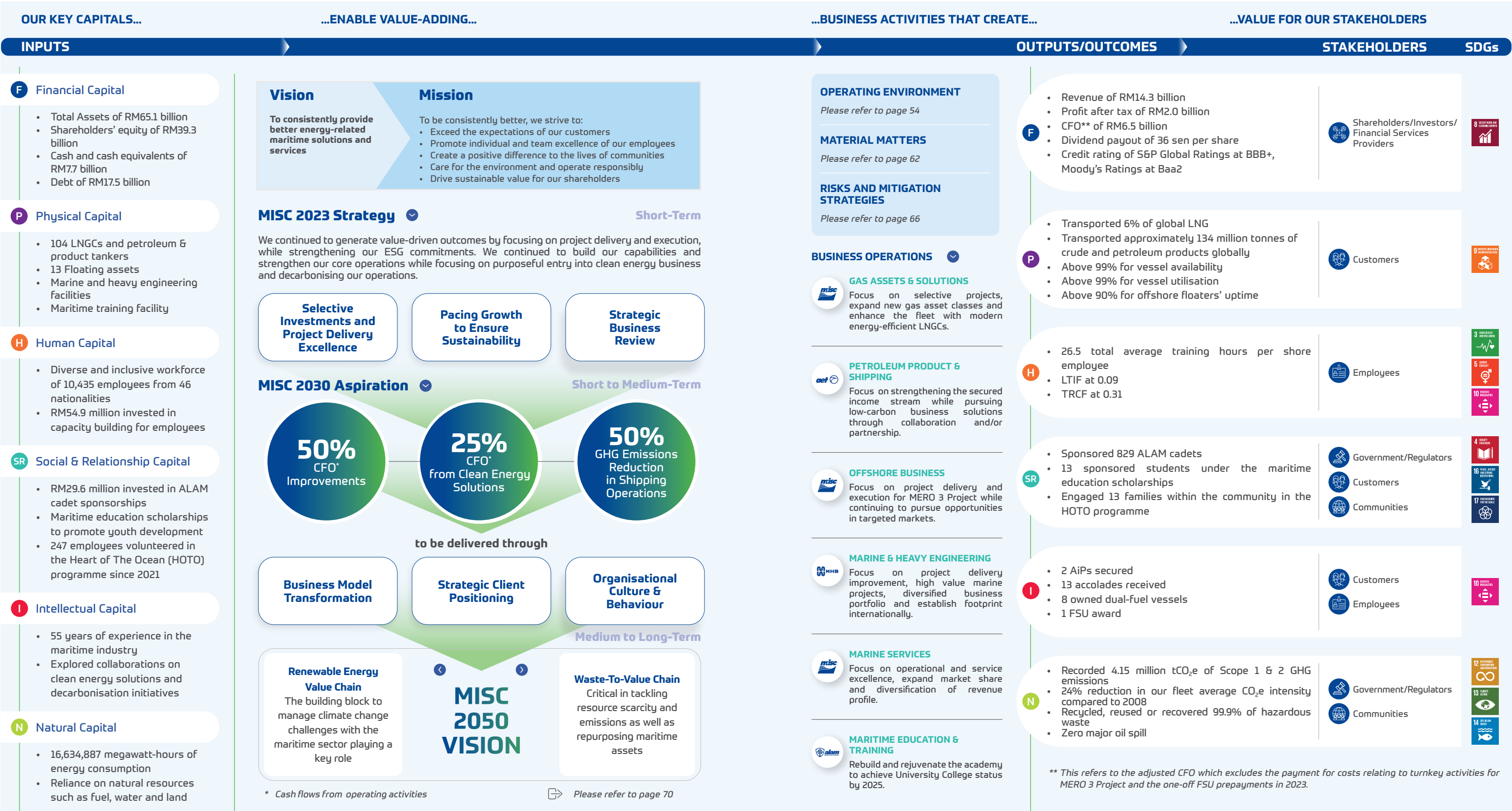
Our Integrated Approach to Value Creation

We undertake a holistic approach in value creation, taking into consideration multiple factors that impact business outcomes. The interconnected elements include the operating environment, stakeholders, risks and mitigation strategies, material matters, integrating ESG principles, business strategy as well as the allocation of our key capitals across the Group. The table below outlines the definitions and connections between these factors in our value creation journey.

<div>1</div> <div>Evaluating our Operating Landscape</div> <div></div> <div><p>Our ability to operate is intricately linked to the global political and macroeconomic landscape, given their influence on both the energy and maritime industries. We closely monitor and analyse macro-environmental factors related to our business operations to identify emerging trends and opportunities. This enables us to adapt our strategies and make informed decisions that optimise our value creation capabilities.</p><p> Please refer to page 54</p></div>	<div>2</div> <div>Strengthen Stakeholder Relationships</div> <div></div> <div><p>We understand the importance of managing the evolving needs of our stakeholders as they play an important role in driving MISC's sustainable growth. We foster value creation through continuous dialogues and collaborations with various stakeholders, strengthening our position as a trustworthy and reliable partner.</p><p> Please refer to page 48</p><div><div></div>Government/Regulators</div><div><div></div>Shareholders/Investors/Financial Services Providers</div><div><div></div>Customers</div><div><div></div>Employees</div><div><div></div>Business Partners/Suppliers & Vendors</div><div><div></div>Communities</div><div><div></div>Industry Peers</div><div><div></div>Academic Organisations</div><div><div></div>Trade Associations/NGOs</div><div><div></div>Media</div></div>
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Value Creation Business Model

Value Creation Business Model



* Cash flows from operating activities

Please refer to page 70

** This refers to the adjusted CFO which excludes the payment for costs relating to turnkey activities for MERO 3 Project and the one-off FSU prepayments in 2023.

Key Capitals

Key Capitals

	<div>F</div> Financial Capital	<div>P</div> Physical Capital	<div>H</div> Human Capital	<div>SR</div> Social & Relationship Capital	<div>I</div> Intellectual Capital	<div>N</div> Natural Capital																																																																																																			
Introduction	We exercise prudent financial management and capital discipline to fund our operations and growth.	Our business utilises a diverse portfolio of assets to move energy globally, meeting current and future market demands. We invest in dual-fuel assets and eco-efficient technologies to reduce emissions from our operations, nurturing sustainable business growth and aligning with our MISC 2030 Aspiration and MISC 2050 Vision.	Our strategic achievements and values are shaped by our diverse and high-performing workforce. We invest in nurturing innovative and future-ready employees to achieve our strategic goals.	Our responsive stakeholder engagements and community support allow us to establish trust and foster meaningful relationships with our communities.	We have built a strong foundation of intellectual capital to run our operations and develop new maritime assets to enable us to deliver sustained value and growth.	In line with our MISC 2030 Aspiration and MISC 2050 Vision, we strive to continuously minimise our environmental impact over the long-term. We are focused on reducing emissions from our operations based on our Sustainability Strategy and strategic roadmap which lays out our journey in achieving our targets.																																																																																																			
Inputs	<ul style="list-style-type: none">Total Assets of RM65.1 billionShareholders’ equity of RM39.3 billionCash and cash equivalents of RM7.7 billionDebt of RM17.5 billion	<ul style="list-style-type: none">31 LNGCs6 VLECs1 LBV2 FSUs64 Petroleum and product tankers13 Floating assetsMarine and heavy engineering facilitiesMaritime training facility	<ul style="list-style-type: none">Diverse and inclusive workforce of 10,435 employees from 46 nationalities15% of employees are womenRM54.9 million invested in capacity building for employees2,235 total new hires (shore employees only)	<ul style="list-style-type: none">RM29.6 million invested in ALAM cadet sponsorshipsMaritime education scholarships to promote youth development247 employees volunteered in the HOTO programme since 2021	<ul style="list-style-type: none">55 years of experience in the maritime industryCollaborations on clean energy solutions and decarbonisation initiatives	<ul style="list-style-type: none">16,634,887 megawatt-hours of energy consumptionReliance on natural resources such as fuel, water and land																																																																																																			
Outputs/Outcomes	<table><tr><th></th><th>2022</th><th>2023</th></tr><tr><td>Revenue (RM billion)</td><td>13.9</td><td>14.3</td></tr><tr><td>Profit after tax (RM billion)</td><td>1.8</td><td>2.0</td></tr><tr><td>CFO* (RM billion)</td><td>5.7</td><td>6.5</td></tr><tr><td>Dividend payout (sen per share)</td><td>33</td><td>36</td></tr><tr><td>Moody’s Ratings</td><td>Baa2 (stable)</td><td>Baa2 (stable)</td></tr><tr><td>S&P Global Ratings</td><td>BBB+ (stable)</td><td>BBB+ (stable)</td></tr></table>		2022	2023	Revenue (RM billion)	13.9	14.3	Profit after tax (RM billion)	1.8	2.0	CFO* (RM billion)	5.7	6.5	Dividend payout (sen per share)	33	36	Moody’s Ratings	Baa2 (stable)	Baa2 (stable)	S&P Global Ratings	BBB+ (stable)	BBB+ (stable)	<table><tr><th></th><th>2022</th><th>2023</th></tr><tr><td>LNG transported globally (%)</td><td>6%</td><td>6%</td></tr><tr><td>Estimated crude and petroleum products transported globally (MT)</td><td>99</td><td>134</td></tr><tr><td>Vessel availability (%)</td><td>>99%</td><td>>99%</td></tr><tr><td>Vessel utilisation (%)</td><td>> 99%</td><td>> 99%</td></tr><tr><td>Offshore floaters’ uptime performance (%)</td><td>>95%</td><td>>90%</td></tr></table>		2022	2023	LNG transported globally (%)	6%	6%	Estimated crude and petroleum products transported globally (MT)	99	134	Vessel availability (%)	>99%	>99%	Vessel utilisation (%)	> 99%	> 99%	Offshore floaters’ uptime performance (%)	>95%	>90%	<table><tr><th></th><th>2022</th><th>2023</th></tr><tr><td>Employee attrition rate (%)**</td><td>17%</td><td>15%</td></tr><tr><td>Number of employees that completed training**</td><td>5,327</td><td>6,672</td></tr><tr><td>Average total hours of training per employee (hours/person)**</td><td>24.0</td><td>26.5</td></tr><tr><td>Lost Time Injury Frequency (LTIF)</td><td>0.08</td><td>0.09</td></tr><tr><td>Total Recordable Case Frequency (TRCF)</td><td>0.14</td><td>0.31</td></tr></table> <i>** Shore employees only</i>		2022	2023	Employee attrition rate (%)**	17%	15%	Number of employees that completed training**	5,327	6,672	Average total hours of training per employee (hours/person)**	24.0	26.5	Lost Time Injury Frequency (LTIF)	0.08	0.09	Total Recordable Case Frequency (TRCF)	0.14	0.31	<table><tr><th></th><th>2022</th><th>2023</th></tr><tr><td>Number of ALAM cadets sponsored</td><td>751</td><td>829</td></tr><tr><td>Number of sponsored students under the maritime education scholarships</td><td>15</td><td>13</td></tr><tr><td>Number of families within the community engaged in the HOTO programme</td><td>6</td><td>13</td></tr></table>		2022	2023	Number of ALAM cadets sponsored	751	829	Number of sponsored students under the maritime education scholarships	15	13	Number of families within the community engaged in the HOTO programme	6	13	<table><tr><th></th><th>2022</th><th>2023</th></tr><tr><td>Number of AiPs secured</td><td>1</td><td>2</td></tr><tr><td>Number of accolades received</td><td>13</td><td>13</td></tr><tr><td>Dual-fuel vessels owned</td><td>6</td><td>8</td></tr><tr><td>FSU award</td><td>0</td><td>1</td></tr></table>		2022	2023	Number of AiPs secured	1	2	Number of accolades received	13	13	Dual-fuel vessels owned	6	8	FSU award	0	1	<table><tr><th></th><th>2022</th><th>2023</th></tr><tr><td>Major oil spill</td><td>1</td><td>0</td></tr><tr><td>Scope 1 & 2 GHG emissions (million tCO₂e)</td><td>4.22</td><td>4.15</td></tr><tr><td>Fleet average CO₂e intensity reduction compared to 2008 (%)</td><td>17</td><td>24</td></tr><tr><td>Hazardous waste recycled, reused or recovered (%)</td><td>99.1</td><td>99.9</td></tr></table>		2022	2023	Major oil spill	1	0	Scope 1 & 2 GHG emissions (million tCO ₂ e)	4.22	4.15	Fleet average CO ₂ e intensity reduction compared to 2008 (%)	17	24	Hazardous waste recycled, reused or recovered (%)	99.1	99.9
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Actions to Enhance Outcomes	<ul style="list-style-type: none">Secured stable cash flows from long-term contractsPrudent management of financial commitments, disciplined in capital allocation and responsible investmentStrove to adopt the highest standards of governance and transparency, including TCFD	<ul style="list-style-type: none">Maintained a strong track record of operational excellenceDiversified our portfolio of businesses to mitigate against market volatility and business cyclicalityInitiated decarbonisation efforts across our business and operations	<ul style="list-style-type: none">Prioritised employee well-being by fostering psychological safety at the workplaceEncouraged continuous learning, collaboration and a culture of innovationFacilitated comprehensive retention programmes, including employee engagement activities, immediate recognition and flexible work arrangementsPrioritised health and safety by promoting Generative HSSE culture across our businesses and operations	<ul style="list-style-type: none">Rejuvenated ALAM campus to provide students with a conducive learning environment and to foster academic excellenceContinued to cultivate young talents and develop future leaders by providing scholarships in maritime educationActively engaged employees in various volunteering programmes to positively contribute to communities where we operate	<ul style="list-style-type: none">Established an NED unit to drive the decarbonisation pathway and seek new business portfoliosActively pursued opportunities to commercialise clean energy and decarbonisation concepts and designsOngoing development of zero-emission vessels together with other partners under the Castor Initiative	<ul style="list-style-type: none">Initiated decarbonisation efforts aligning with our transition plan to ensure that our newbuild vessels are equipped with eco-efficient technologies and energy-efficient solutionsIntroduced marine biodiversity conservation initiatives to conserve and rehabilitate marine biodiversity																																																																																																			
Trade-offs	<ul style="list-style-type: none">Majority of our capital is allocated towards operating and maintaining our fleet, ongoing project requirements, new CAPEX investments and purchasing new assetsWhile CAPEX allocations reduce our financial capital in the short-term, they build our physical capital base for longer term growthOur long-term customer contracts for newbuild and purchased assets ensure secured income streams, thus growing our financial capital into the futureInvestment in digitalisation and innovation initiatives to drive operational and organisational efficiencies has reduced our financial capital in the short-term but will enhance our intellectual capital in the long-term	<ul style="list-style-type: none">Our capital mainly consists of our vessel fleet, floating assets, yards and infrastructure. We focus on investments in eco-friendly newbuilds with lower emissions, to provide greener shipping solutions and enhance our natural capitalWe are providing customers with an eco-friendly fleet, improved efficiency and safety measures. This enhancement boosts our social and relationship capitalWe reduce obsolete physical capital by disposing older assets through green ship recycling initiatives. This positively impacts our natural capital and aligns with energy transition and climate change imperatives for sustainable long-term growth	<ul style="list-style-type: none">Our human capital, including capabilities, skills and knowledge, drives our intellectual capital. We invest our financial capital in human capital through talent development programmes and strategic human capital management aligned with our business plansThe short-term reduction of our financial capital to sustain our human capital enables us to strengthen the capabilities of our workforce to respond to clients’ needs and exceed customer expectations, thus building our social and relationship capital in the long-run	<ul style="list-style-type: none">We invest financial capital in stakeholder engagements conducted by our employees, which impact our human capital through the manhours spent. The expenses associated with engagements reduce short-term financial capital; however, in the long-term they enable growth of social and relationship capital, ensure compliance with legal requirements, pave the way for sustainable future growth and maintain industry reputationWe undertake industry collaborations focusing on zero-emission vesselsOur community-based environmental programmes positively impact our natural capitalThe growth of our social and relationship capital ultimately contributes to increasing our financial capital as we maintain and expand our customer base	<ul style="list-style-type: none">We invest financial capital to drive our intellectual capital by rejuvenating our fleet with the latest technologies, which improves our natural capital through a lower emission fleet and enhance human capital through new skills while boosting our social and relationship capital from improved customer satisfactionIn the short-term, our financial capital is reduced with investment in technical solutions for floating assets, new technologies for port management, vessel inspections and yard operations. In the long-run, the investment will boost our intellectual capital across our maritime value chain	<ul style="list-style-type: none">Our physical capital's emissions and waste have a negative impact on our natural capital. Towards improving our natural capital and in line with energy transition, climate change and industry decarbonisation, we established MISC's 2030 Aspiration and commitment towards Net-Zero GHG emissions aligning with the MISC 2050 VisionEfforts towards improving our natural capital will reduce our financial capital in the shorter term and impact on our human, intellectual and physical capitals. Improvement of natural capital will heighten our social and relationship capital, as MISC commits to a sustainable future																																																																																																			

* This refers to the adjusted CFO which excludes the payment for costs relating to turnkey activities for MERO 3 Project and the one-off FSU prepayments in 2023.

Engaging with Stakeholders

Stakeholder engagement is pivotal for MISC as they help shape our business landscape. At the same time, we value their feedback and expectations as this contributes towards creating mutually-beneficial relationships, allowing us to serve them better. Guided by our stakeholder engagement strategy and principles, we have dedicated our efforts to creating value for our stakeholders through regular engagements, awareness programmes, dialogue and collaboration activities. This allows us to build meaningful relationships and work collaboratively with our stakeholders to secure a sustainable future.

We collaborate closely with the key stakeholders mentioned below. Nevertheless, there are additional stakeholders, such as trade associations, NGOs, industry peers, academic organisations and media with whom, when necessary, we use a more tailored engagement approach.

Engaging with Stakeholders

NAVIGATION ICON

- D
- Daily
- W
- Weekly
- M
- Monthly
- Q
- Quarterly
- BA
- Bi-Annually
- A
- Annually
- AR
- As required

Stakeholders	Key Concerns	Responses	Value Created for Stakeholders	Engagement Platform and Frequency												
<div>Government/Regulators</div> <div>We engage with key government and regulatory agencies to forge stronger ties, keep us informed on potential regulations that may impact the industry, gaining valuable insights into new regulatory developments.</div> <div><div>Key Capitals</div><div><div>SR</div>Social & Relationship Capital<div>N</div>Natural Capital</div></div>	<ul style="list-style-type: none">Compliance with laws and regulationsIntroduction of future laws and regulationsCrisis management and business continuityDevelopment of talent and job opportunitiesCorruption and bribery	<ul style="list-style-type: none">Collaborate with regulators to ensure compliance with laws and regulationsEngage with regulators to provide feedback on proposed laws and regulationsCollaborate with authorities on emergency response and preparednessCollaborate on maritime academy syllabus to nurture and develop seafarers in line with the nation's maritime visionProvide job opportunities and development of local talentsParticipate in the Maritime Anti-Corruption Network (MACN) to combat corruption in the maritime industryImplement the Code of Business Ethics (CoBE) for employees and third parties	<ul style="list-style-type: none">Supported the government's agenda in promoting innovation and sustainable growth of the maritime industrySustained MISC's license to operate	<table><tr><th>Engagement Platform</th><th>Frequency</th></tr><tr><td>Reporting to relevant agencies</td><td>AR</td></tr><tr><td>Face-to-face meetings</td><td>AR</td></tr><tr><td>Forums and conferences</td><td>AAR</td></tr><tr><td>Visits and briefings with Ministry/agencies/regulators</td><td>AA</td></tr><tr><td>Strategic partnerships</td><td>AR</td></tr></table>	Engagement Platform	Frequency	Reporting to relevant agencies	AR	Face-to-face meetings	AR	Forums and conferences	AAR	Visits and briefings with Ministry/agencies/regulators	AA	Strategic partnerships	AR
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<div>Shareholders/Investors/ Financial Services Providers</div> <div>Shareholders, investors and financial service providers, strengthen our financial performance by providing access to financial capital. Continuous engagement with them helps align with our long-term strategic business priorities and understand emerging trends in financial markets.</div> <div><div>Key Capitals</div><div><div>F</div>Financial Capital</div></div>	<ul style="list-style-type: none">Projects and financial performanceValues and governanceClimate changeDiversity and inclusionESG risks, opportunities and performance	<ul style="list-style-type: none">Ensure strong governance in projects and financial managementEstablish strong governance policies and proceduresImprove awareness on business ethics and whistleblowing processesParticipate in the Getting to Zero Coalition by collaborating with strategic partners along the value chain to develop commercially viable ZEVs by 2030Fleet renewal to low-carbon fuel and energy-efficient vesselsDevelop and implement diversity and inclusion policyEstablish strong sustainability practices and regularly disclosing performanceParticipate in third-party ESG performance ratingsIncorporate ESG risks and opportunities into business decisions	<ul style="list-style-type: none">Provided platforms to better understand MISC's business performance, financial position and sustainability agendaIncreased shareholders/investors' confidenceImproved access to debt funding for CAPEX	<table><tr><th>Engagement Platform</th><th>Frequency</th></tr><tr><td>Investor and analyst meetings</td><td>Q</td></tr><tr><td>Meetings and conferences</td><td>AA</td></tr><tr><td>Annual Reports and Annual General Meeting</td><td>A</td></tr><tr><td>Bursa Malaysia announcements</td><td>ARQ</td></tr><tr><td>Company website</td><td>AAQ</td></tr></table>	Engagement Platform	Frequency	Investor and analyst meetings	Q	Meetings and conferences	AA	Annual Reports and Annual General Meeting	A	Bursa Malaysia announcements	ARQ	Company website	AAQ
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<div>Customers</div> <div>Customer engagement is critical for our success. We maintain trust, loyalty and confidence in our products, services and solutions. We also work on improving customer experience and creating value to build confidence in our brand name, drive growth and achieve our sustainability goals.</div> <div><div>Key Capitals</div><div><div>SR</div>Social & Relationship Capital<div>I</div>Intellectual Capital<div>P</div>Physical Capital</div></div>	<ul style="list-style-type: none">Crisis management and business continuityValues and governanceBusiness ExperienceSupply Chain ManagementClimate changeHealth and SafetyLabour and human rights	<ul style="list-style-type: none">Drive close engagement with customers to brief them on our business continuity plan to ensure minimal interruption to customer operationsEnsure strong governance in project managementImprove business ethics awareness and whistleblowing processesImplement upskilling and reskilling initiatives for employees to provide niche expertise for maritime servicesEnhance awareness and conduct ESG assurance along the supply chainEnsure fleet renewal to low-carbon fuel and energy-efficient vesselsImplement high health and safety standardsEstablish the MISC Modern Slavery Policy and CoBE for employees and third-partiesConduct Human Rights Risk Assessments (HRRA) and due diligence on material human rights matters	<ul style="list-style-type: none">Increased confidence in MISC's capabilities in delivering quality and sustainable products and services	<table><tr><th>Engagement Platform</th><th>Frequency</th></tr><tr><td>Conferences, exhibitions and forums with customers</td><td>AA</td></tr><tr><td>Customer appreciation programmes</td><td>AA</td></tr><tr><td>Workshops/seminars</td><td>AR</td></tr><tr><td>Site visits and meetings</td><td>MWAA</td></tr><tr><td>Satisfaction survey</td><td>A</td></tr></table>	Engagement Platform	Frequency	Conferences, exhibitions and forums with customers	AA	Customer appreciation programmes	AA	Workshops/seminars	AR	Site visits and meetings	MWAA	Satisfaction survey	A
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Engaging with Stakeholders

Engaging with Stakeholders

Stakeholders	Key Concerns	Responses	Value Created for Stakeholders	Engagement Platform and Frequency																																
<div><div>Employees</div><div>Our workforce is our most valuable asset, in achieving our business goals. We prioritise a safe, healthy and inclusive work environment, offering benefits and career development tools to promote innovation and enhance MISC’s competitive advantage.</div><div><div>Key Capitals</div><div><div>H</div>Human Capital<div>I</div>Intellectual Capital</div></div></div> <div><div>Business Partners/Suppliers & Vendors</div><div>Our business partners, suppliers and vendors are important to business growth. Together, we develop products, solutions and offerings to elevate industry standards, improve operational efficiencies and identify growth opportunities.</div><div><div>Key Capitals</div><div><div>SR</div>Social & Relationship Capital<div>I</div>Intellectual Capital<div>F</div>Financial Capital<div>P</div>Physical Capital</div></div></div> <div><div>Communities</div><div>Operating globally, we support community development to build trust and enhance business resilience. Our goal is to enrich local communities through programmes focused on social upliftment and environmental protection.</div><div><div>Key Capitals</div><div><div>N</div>Natural Capital<div>SR</div>Social & Relationship Capital</div></div></div>	<div><ul style="list-style-type: none">Business ethics and complianceHSSE managementUpskilling and reskilling talentDiversity and inclusionEmployee engagement programmes</div> <div><ul style="list-style-type: none">Project and financial performanceCrisis management and business continuityValues and governanceHealth, safety and environmentBusiness knowledge and expertise</div> <div><ul style="list-style-type: none">Safety in yard operations, noise and traffic management and air emissionsMarine pollution, environmental conservation and waste managementEmployment and income opportunities</div>	<div><ul style="list-style-type: none">Ensure mandatory business ethics e-learning modulesEnhance business ethics awareness and whistleblowing processesImplement high HSSE standardsEncourage employees to report Unsafe Conditions and Unsafe Acts (UCUAs)Support and encourage employees to improve their skills and enhance their competency via the Talent Management System (TMS)Encourage employees to participate and provide feedback to stimulate two-way conversations via ECHO+Encourage and support employee diversity and equal opportunities in our career development and volunteering programmesConduct festive celebrationsProvide multiple platforms for employee conversationsOrganise various employee engagement programmes such as family day, townhalls and religious talks</div> <div><ul style="list-style-type: none">Ensure strong governance in project and financial managementEngage closely with business partners/suppliers and vendors to ensure minimal business interruptionEnhance business ethics awareness and whistleblowing processesEnhance the Know Your Counterparty (KYC) requirements for all business dealings as part of the Third-Party Compliance Due Diligence GuidelinesProvide CoBE training for third-party service providers to drive awareness of MISC’s CoBE and other requirements and expectationsAdopt Competition Law and Compliance Protocols to support the Competition Law GuidelinesInculcate strong discipline and mindset around health, safety and environmentRecognise suppliers/vendors with good practicesDrive upskilling and reskilling initiatives competencies for employees to provide niche expertise for maritime services</div> <div><ul style="list-style-type: none">Establish community investment programmes in education, environment, health, safety and well-beingInvest in maritime education sponsorship and scholarshipsConduct conservation and environmental programmes to preserve natural ecosystems, air and water qualityContribute time, resources and expertise to assist communities</div>	<div><ul style="list-style-type: none">Career development and growth in a sustainable organisationTalent attraction and retention</div> <div><ul style="list-style-type: none">Leveraged each other’s expertise and collaborate for innovative products and servicesImproved understanding of MISC’s expectations which includes a sustainability agenda on suppliers and increased business opportunities</div> <div><ul style="list-style-type: none">Created job opportunities and other social economic benefits for local communitiesSustained positive relationships with various stakeholders including customers, employees, local governments and community members</div>	<table><tr><th>Engagement Platform</th><th>Frequency</th></tr><tr><td>Physical and virtual townhall</td><td>A</td></tr><tr><td>Digital communication channels</td><td>AR</td></tr><tr><td>Employee engagement sessions</td><td>Q</td></tr><tr><td>HSSE programmes</td><td>A</td></tr><tr><td>Organisational surveys</td><td>BA</td></tr></table> <table><tr><th>Engagement Platform</th><th>Frequency</th></tr><tr><td>Regular and periodic meetings</td><td>A M W AR</td></tr><tr><td>Day-to-day interactions</td><td>D</td></tr><tr><td>Conferences and forums</td><td>A</td></tr><tr><td>Site visits</td><td>AR</td></tr><tr><td>Workshops/strategic dialogues</td><td>AR</td></tr><tr><td>Performance assessments</td><td>AR</td></tr></table> <table><tr><th>Engagement Platform</th><th>Frequency</th></tr><tr><td>Social impact programmes</td><td>A AR</td></tr><tr><td>Briefings and engagement with local communities</td><td>A AR</td></tr></table>	Engagement Platform	Frequency	Physical and virtual townhall	A	Digital communication channels	AR	Employee engagement sessions	Q	HSSE programmes	A	Organisational surveys	BA	Engagement Platform	Frequency	Regular and periodic meetings	A M W AR	Day-to-day interactions	D	Conferences and forums	A	Site visits	AR	Workshops/strategic dialogues	AR	Performance assessments	AR	Engagement Platform	Frequency	Social impact programmes	A AR	Briefings and engagement with local communities	A AR
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Section 6

**STRATEGIC
REVIEW**

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66	Our Risks and Mitigation Strategies
70	Delivering Our Strategy and Its Focus

Our Operating Environment

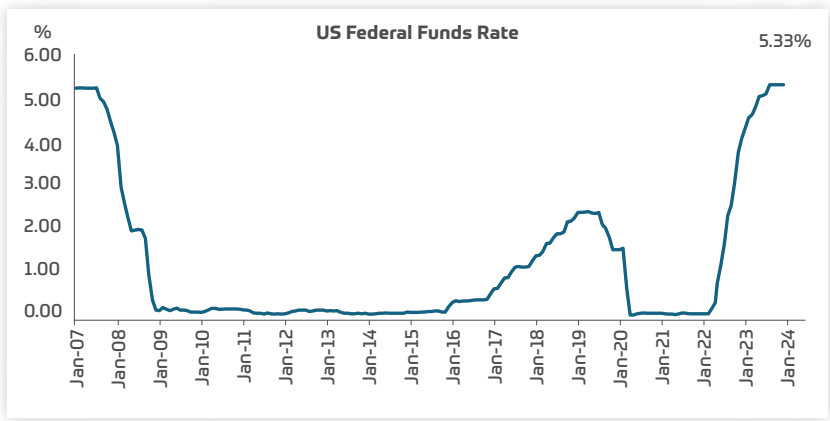
Our Operating Environment

SHORT TO MEDIUM-TERM

The Economy

What Happened in 2023?

The global economic landscape in 2023 witnessed a moderate recovery, despite the high interest rates environment. According to International Monetary Fund (IMF)’s World Economic Outlook, January 2024 issue, global GDP growth in 2023 is estimated at 3.1%, a decline from 3.5% recorded in 2022. The US Federal funds rate climbed to the highest level since 2007, before stabilising at 5.33% in the fourth quarter of 2023. Similarly, the US 1-year and 10-year treasury notes touched the 5% mark, also the highest levels since 2008, resulting in elevated borrowing costs worldwide for both, businesses and households.



Source: The US Federal Reserve

How We Were Impacted

MISC implemented various strategic financial management strategies, including maintaining a high fixed-to-floating rate borrowings ratio, which has been instrumental in navigating the market volatility. Additionally, the Group has tactically deployed excess cash to support projects under construction, thereby optimising financing cost while maintaining our liquidity position.

Fundamentally, MISC’s long-term charters and other sources of secured revenue with strong counterparties have enabled us to generate sustainable and recurring income over the years. Additionally, the Group’s diversified portfolio of businesses protects us against market volatility.

Throughout the year, MISC prioritised the efficient execution of existing projects while being selective in pursuing investment opportunities. This involved a deliberate focus on pursuing long-term contracts with strategic and reputable clients.

Although risks remain, MISC is well-positioned for growth based on the visibility of our cash flows from operations. This allows us to plan our growth to meet our strategic goals, even in challenging economic circumstances.

Outlook

As uncertainties are expected to remain, global GDP is forecasted to grow between 2% to 3%. High inflation rates are expected to stabilise post 2025, primarily attributed to the intervention by central banks that resulted in interest rates and monetary policies nearing cyclical peaks.

By the end of the decade, China is expected to be the largest economy, followed by the US and India. Over the next 10 years, the Asia Pacific region will grow to account for approximately 40% of the global GDP.

Material Matters

Financial Performance

Key Capitals

Financial Capital

Risks

Geopolitical Instability Project Management

Geopolitics

What Happened in 2023?

Heightened geopolitical tensions in 2023, including the ongoing Russia-Ukraine war and escalating conflicts in the Middle East during the fourth quarter, exacerbated disruptions to global stability and trade, particularly in the energy sector. Meanwhile, the BRICS organisation, which originally consists of Brazil, Russia, India, China and South Africa, invited more countries to join the alliance. At the same time, more countries are exploring currencies other than the US dollar for international trade.

How We Were Impacted

The geopolitical conflicts have exposed the shipping sector to operational safety and security risks. The impact is also seen in longer tonne-miles due to rerouting of vessels, as well as an increase in protection and indemnity (P&I) insurance premium.

Our long-term charters and secured revenue with strong counterparties have enabled the Group to generate sustainable and recurring income over the years. Additionally, our diversified portfolio of businesses protect us against market volatility. The Group closely monitored the developments of major geopolitical conflicts and took necessary measures to ensure the safety of our seafarers.

Outlook

The Russia-Ukraine war and conflicts in the Middle East, will continue to cast a shadow over global economic recovery. While the uncertainties remain due to sanctions and trade shifts, these geopolitical conflicts across regions could possibly shift the power balance among countries and potentially reshape the global economy in the short-term.

Moreover, 2024 is set to be the biggest election year in history with more than 50 countries to hold national elections. Post elections, a broad range of policy outcomes are expected to influence governments’ spending, tax and foreign policies, among others.

The growing realignment of geopolitical allies, which arises from the ongoing tensions, is contributing to the risk of larger and broader conflicts. This indicates a trend towards the emergence of a more polarised world.

The post-globalisation era will give rise to a new political order, characterised by power competition amidst geopolitical tensions and trade wars. This may result in potential supply chain repositioning.

Material Matters

Financial Performance Health and Safety Security

Key Capitals

Financial Capital Physical Capital

Risks

Geopolitical Instability Project Management Health and Safety Governance and Integrity

Our Operating Environment

Our Operating Environment

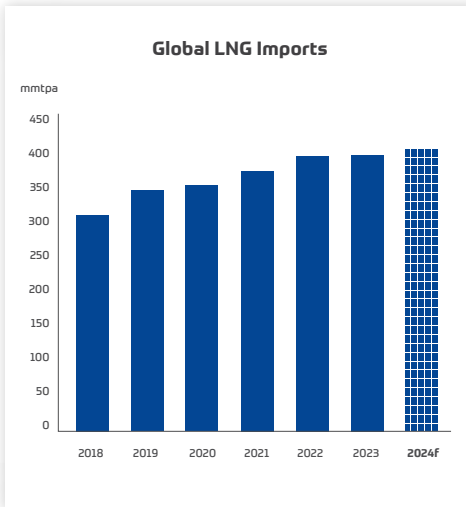
SHORT TO MEDIUM-TERM

Energy Security

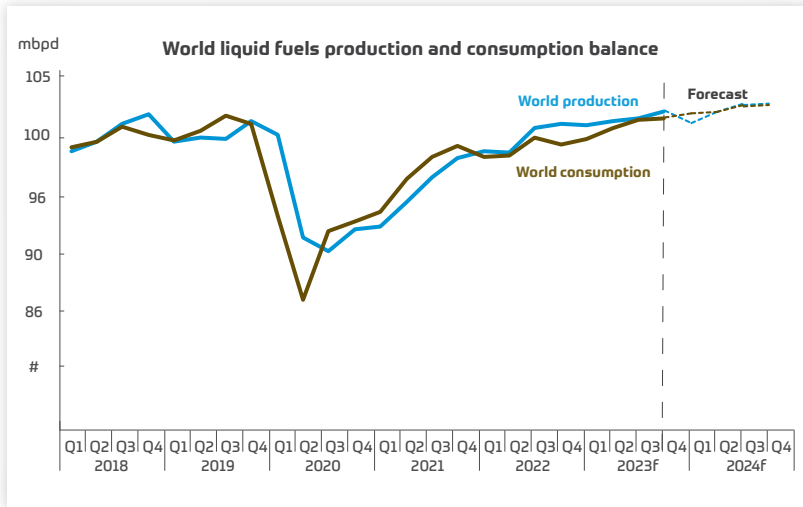
What Happened in 2023?

Energy security remains a concern due to geopolitical uncertainties stemming from the Russia-Ukraine conflict and the ongoing tensions in the Middle East. Meanwhile, the OPEC+ has extended and deepened its production cuts in the second half of 2023. Concurrently, the oil trade landscape has witnessed an escalating share of Russian oil exports flowing into Asia.

The ongoing global energy crisis stemming from the Russian-Ukraine conflict has reshaped natural gas markets, resulting in Europe's pivot towards importing LNG from alternative sources, notably the US. This strengthened the US's position as the leading LNG exporter in 2023. Despite continued growth in LNG exports, prices remained stable throughout the year due to mild winter conditions and ample gas inventories, particularly in the European region.



Source: Woodmac



Source: EIA

How We Were Impacted

Our business segments remained steady, underpinned by strong fundamentals and stable portfolio of existing long-term contracts. Amidst the heightened geopolitical and energy crises, surrounded by uncertainties during the year, the Group focused on project execution and delivery excellence and extension of existing contracts.

Outlook

While demand for oil and gas will continue to grow in this decade, the intensified geopolitical conflicts could influence an escalation of energy security concerns, potentially exerting upward pressure on energy prices. This may strengthen the demand for oil and gas further in the short-term while expediting the transition towards clean energy sources.

Material Matters

- Climate Change
- Energy Management
- Financial Performance

Key Capitals

- Financial Capital
- Physical Capital
- Natural Capital

Risks

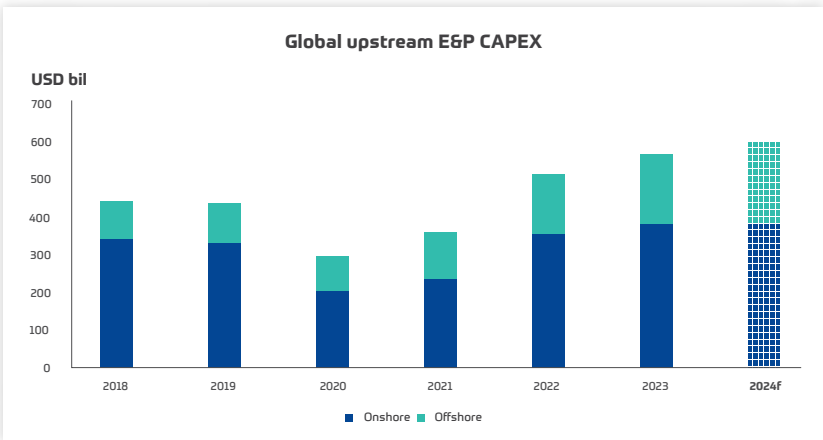
- Increasing Climate-Related Regulations and Requirements
- Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions
- Asset Availability, Utilisation and Marketability
- Project Management
- Geopolitical Instability

Offshore Sector

What Happened in 2023?

The global offshore investment cycle witnessed an upturn, marked by heightened spending in oil and gas projects. The positive momentum is expected to fuel a surge in the global FPS market with a high number of awards in the short to medium-term. Six FPSOs and one FSRU were awarded in 2023.

Notwithstanding the robust demand, financial institutions are adopting a cautious stance in providing financing for the hydrocarbon sectors. Funding availability has been tightened and is now more inclined towards investments that facilitate the energy transition.



Source: S&P

How We Were Impacted

The Offshore Business segment continued to focus on the timely completion of *FPSO Marechal Duque de Caxias*. However, we continued to closely monitor the industry developments to identify potential international opportunities within the sector.

In 2023, Carigali-PTTEPI Operating Co. (CPOC) awarded the Marine & Heavy Engineering segment with an EPCI contract for the Joint Development Area (JDA) Field Development Project (Phase 6). Furthermore, the segment continued to focus on driving growth for its heavy engineering business and was qualified as an EPCIC contractor with reputable oil majors internationally.

For more information, please refer to Offshore Business Business Review on page 86 and Marine & Heavy Engineering Business Review on page 89.

Outlook

Over the next five years, the FPSO market anticipates 40 to 75 orders with an estimated capital cost of between USD72 billion to USD117 billion, predominantly in the Americas.

Material Matters

- Financial Performance
- Climate Change
- Energy Management
- Ocean Health
- Sustainable Supply Chain

Key Capitals

- Financial Capital
- Physical Capital
- Human Capital

Risks

- Project Management
- Asset Availability, Utilisation and Marketability
- Health and Safety
- Technology Developments
- Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions

Our Operating Environment

Our Operating Environment

SHORT TO MEDIUM-TERM

MEDIUM TO LONG-TERM

Shipping Sector

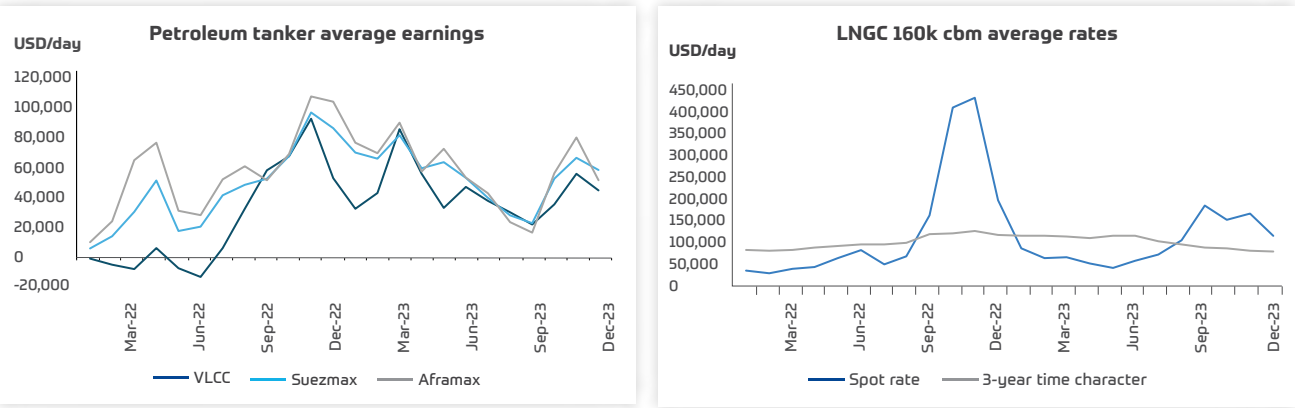
Decarbonisation of the Maritime Industry

What Happened in 2023?

The global shipping industry continued to be affected by geopolitical risks and disruptions in key maritime routes around the Suez and Panama canals.

For the oil tanker market, the rates have risen to above 2022 levels, supported by low tanker orderbook and minimal tanker demolitions throughout the year.

Meanwhile, LNG demand stabilised in 2023 amidst mild weather conditions and sufficient gas inventories, particularly in Europe. Similarly, the LNG shipping demand and LNGC spot rates have stabilised, in line with the seasonal demand patterns.



Source: Clarksons

How We Were Impacted

The geopolitical conflicts and rerouting of vessels have led to longer voyages and an increase in tonne-mile demand which has supported freight rates during the year. The Petroleum & Product Shipping segment has leveraged on the opportunities by securing more long-term charters optimising its term-to-spot fleet ratio. Meanwhile, the GAS Business segment remained focused on securing long-term charter contracts while executing progressive fleet rejuvenation. In 2023, the Group has successfully delivered two dual-fuel VLCCs namely *Eagle Vellore* and *Eagle Ventura* and two eco-efficient LNGCs known as *Seri Daya* and *Seri Damai*. A third LNG dual-fuel VLCC was delivered in early 2024.

For more information, please refer to Petroleum & Product Shipping Business Review on page 83 and Gas Assets & Solutions Business Review on page 80.

Outlook

The near-term outlook for the oil tanker market remains positive, supported by strong Atlantic exports, increased crude imports to Asia and potentially higher tonne-mile demand due to shifts in trade patterns following the Red Sea crisis.

Similarly, prospects remain positive in the LNG market driven by the Asian LNG demand and increasing investments in LNG infrastructure.

Material Matters

- Financial Performance
- Climate Change
- Ocean Health
- Energy Management
- Security
- Health and Safety

Key Capitals

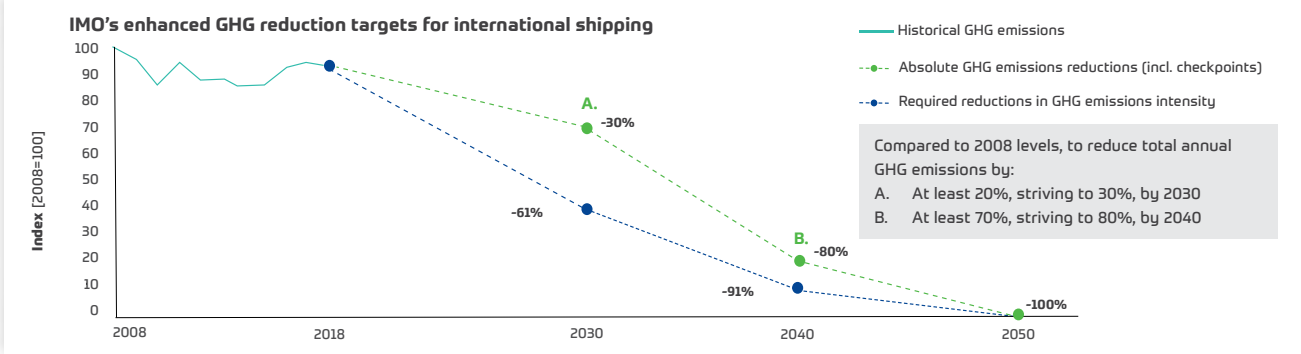
- Financial Capital
- Human Capital
- Physical Capital

Risks

- Project Management
- Asset Availability, Utilisation and Marketability
- Technology Developments
- Health and Safety
- Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions

What Happened in 2023?

During the year, the decarbonisation efforts within the shipping industry has led to the introduction of enhanced international maritime regulations. The shipping sector is now being included in the EU Emission Trading System (EU ETS) which is expected to have an impact on operations, costs and contractual agreements. At the same time, the IMO has enhanced its GHG reduction targets as agreed during the 80th Marine Environment Protection Committee's meeting (MEPC 80). The first reporting of Carbon Intensity Indicator (CII) as imposed by the IMO has begun with the initial ratings to be issued in 2024, based on 2023's performance. The shift towards decarbonisation has also spurred the development of dual-fuel propulsion systems, mainly utilising LNG and methanol as alternative fuels.



Source: Worldbank

How We Were Impacted

In our transition towards 2050, we have introduced our aspirational targets, MISC 2030 Aspiration as a short to medium-term strategy to ensure the Group is aligned in its approach to achieve MISC 2050 Vision. The aspirational targets include 50% reduction in GHG emissions from shipping operations, compared to our base year of 2008.

We prioritised responsible investments by investing in dual-fuel assets, with sustainability as top priority in all our operations. In 2023, we successfully delivered two dual-fuel VLCCs, *Eagle Ventura* and *Eagle Vellore* and two eco-efficient LNGCs, *Seri Damai* and *Seri Daya* as part of our progressive strategy in rejuvenating our fleet. A third LNG dual-fuel VLCC was delivered in early 2024.

The Group has successfully installed ShaPoLi technology on 55 vessels to reduce emissions and ensure compliance with the EEXI standards. In adhering to the CII requirements, our operational improvement measures are ongoing and we implemented slow steaming, voyage optimisation, minimising idle days and just in time arrival, achieved through close collaboration with our charterers.

Outlook

The new requirements and regulations are expected to have an impact on shipping operations and contractual agreements. The emphasis on voyage optimisation, digitalisation, adoption of clean solutions and technologies for decarbonisation would increase significantly.

LNG, as a transitional fuel, will continue to be relevant as the industry shifts towards cleaner energy source.

Material Matters

- Climate Change
- Ocean Health
- Talent Development and Retention
- Energy Management
- Financial Performance
- Sustainable Supply Chain

Key Capitals

- Natural Capital
- Financial Capital
- Physical Capital
- Human Capital

Risks

- Increasing Climate-Related Regulations and Requirements
- Governance and Integrity
- Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions
- Geopolitical Instability
- Technology Developments
- Project Management

Our Operating Environment

Our Operating Environment

MEDIUM TO LONG-TERM

Clean Energy Transition

Advancements in Technology and Digitalisation in the Maritime Industry

What Happened in 2023?

Global investments in the clean energy sector reached approximately USD1.8 trillion in 2023, based on International Energy Agency (IEA) estimates. In addition, the UN's 28th annual climate meeting (COP28) has made 3 pledges on energy transition which include accelerating the deployment of renewables and doubling energy efficiency, establishing mutual recognition schemes for renewable and hydrogen, as well as bolstering investment into the green economy. This reflects the accelerated pace at which renewables solutions are gaining commercial scale, driven by the commitments and investments in the sector.

The rise in the development of alternative energy sources and clean technologies as substitutes for oil and gas, is a long-term trend that will affect energy players. Reduction in costs have made it attractive to deploy solar and wind infrastructures. However, this would require additional resources including financing and R&D to improve energy storage technologies such as batteries, in order to overcome the energy intermittency limitations of renewables.

Meanwhile, the increase in demand for climate change action by various stakeholders is affecting the appetite for investments and funding of oil and gas projects. Similarly, governments will continue to enhance their energy policies to meet the Net-Zero carbon emission initiatives by 2050. The scope and rate of carbon tax may increase in the near to medium-term.

The adoption of technology in the maritime sector accelerated in 2023, driven by commercial and environmental requirements. The integration of advanced technologies such as vessel tracking, autonomous ships and artificial intelligence in the maritime industry will enable industry players to strategically cater to customer requirements and demands. Alongside this, R&D focusing on new fuels and propulsion systems, as well as technology for reducing emissions are becoming more prominent.

Similarly, the energy sector is also undergoing a rapid pace of digitalisation, as reflected in the increasing investments made in digital technologies over the last few years. Oil and gas companies are seeking strategic partnerships with companies in the fields of technology, transportation and commerce, as they focus on developing cost-effective clean solutions across their value chain.

How We Were Impacted

MISC's strategic investment with our partners in climate tech start-up, Daphne Technology, aims to develop solutions that convert toxic and GHG pollutants into non-hazardous by-products which are either released into the environment or transformed into valuable products.

As part of the digitalisation initiatives, MISC has embarked on a Finance Transformation Programme to leverage on automation and data analytics to enable strategic data-driven business decisions. The digitalisation of contract management and procurement processes and policies through new platforms will improve visibility of contract management and procurement activities as well.

Outlook

The investments in digitalisation and technology will continue to grow, particularly in the clean energy sector. Accelerated technological advancements, coupled with cross-sector collaborations are set to redefine the maritime industry.

Digitalisation will play a major role in enabling the maritime transport sector to cater to increased demand by enhancing safety and efficiency, while green technology will bring about cost-effective and environmentally-sustainable operations.

Material Matters

- Digitalisation
- Cybersecurity
- Talent Development and Retention
- Climate Change

Key Capitals

- I Intellectual Capital
- F Financial Capital
- H Human Capital
- SR Social & Relationship Capital

Risks

- Technology Developments
- Increasing Climate-Related Regulations and Requirements
- Cybersecurity
- Talent Development and Retention
- Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions

Our Material Matters

Sustainability is integral to MISC’s strategy and operations, as it addresses stakeholder concerns and long-term success. Periodic reassessment of material topics ensures our strategy aligns with stakeholder needs and the industry.

Material Reassessment Validation Process

For 2023, we reassessed and revalidated our material topics to ensure that they remain relevant to our value creation strategy. We continuously monitor the risk elements and opportunities to ensure a more holistic and robust approach of our assessment. This in turn acts as a guide in the formulation of the Group’s sustainability priorities, including our impact on society and the planet.

Double Materiality Approach

This was undertaken to better understand:

- External impact on the economy, environment and people.
- Risk and opportunities of internal impact on enterprise value creation.

1 Benchmarking

Conducted comprehensive desktop research, utilising industry and peer benchmarking to identify relevant sustainability matters to MISC’s business.

2 Stakeholder Engagement

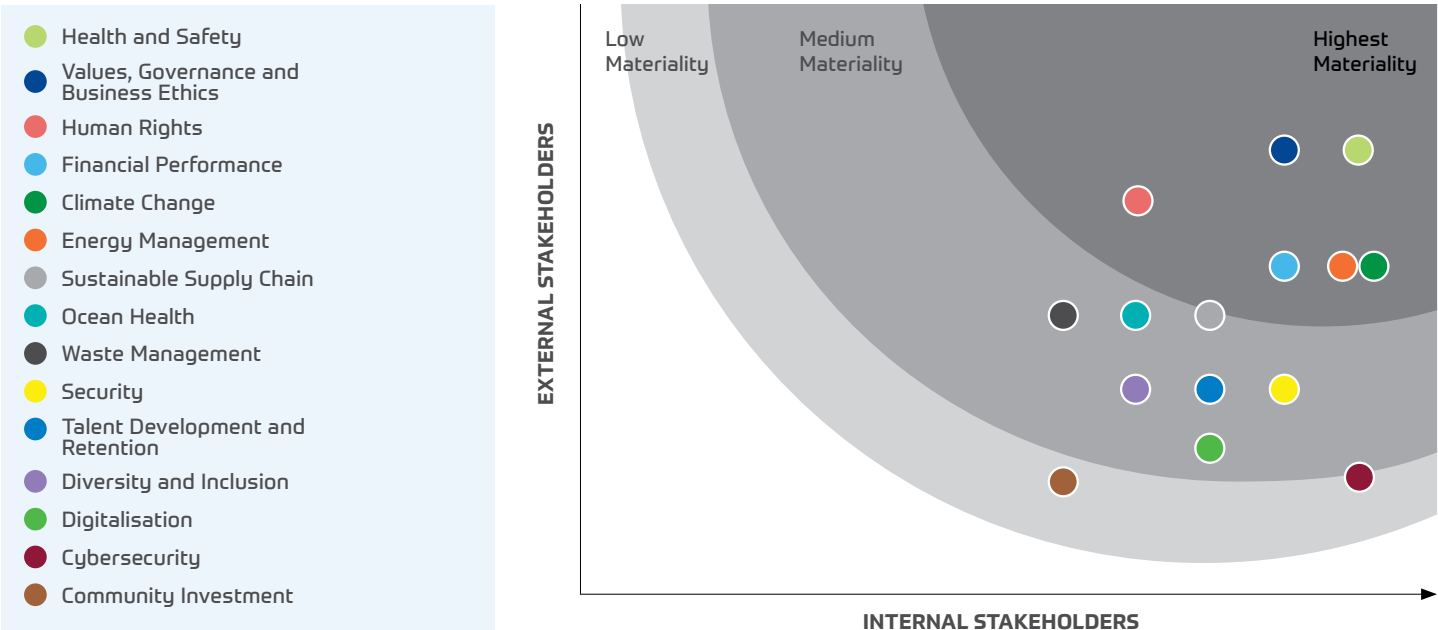
Conducted a survey to gain insights on stakeholder impact on our business and operations. Their feedback and concerns were collected and analysed. Stakeholder groups include customers, financial institutions, investors/analysts, MISC’s Board of Directors and Management team.

3 Materiality Matrix

The feedback from our stakeholder engagement survey was used to map our material matters. The materiality matrix was endorsed by our HSSE Council and the Board of Directors.

Materiality Analysis

In 2022, we undertook a materiality assessment and in 2023, we reviewed our material matters to ensure they remain relevant to our overall strategy.



We identified 15 material matters that significantly impact our business and stakeholders, a change made to keep our strategy closely aligned with stakeholder needs and environmental considerations.

Our Material Matters

Create Business Value

The results are used in our business practices to:

- Align our sustainability strategy with business strategy
- Provide guidance on the disclosure topics for future reporting purposes
- Reinforce linkages between ESG-related risks, opportunities and corporate purpose
- Provide direction in establishing sustainability-related targets and commitments

Prioritising What Matters Most

Material Matter	Description	Our Approach	Sustainability Strategic Priorities
 Health and Safety	Prioritise employee safety, asset security and operational excellence through a secure work environment and meticulous maintenance.	<ul style="list-style-type: none">Reinforce safety management with stringent HSE policies, fostering a Generative HSSE cultureEmphasise operational discipline and security to ensure safe work conditions for employees, contractors and assets	Social Pillar: Health and Safety
 SDGs:	Key Capitals: Human Capital Social & Relationship Capital Physical Capital	Risks: Health and Safety Geopolitical Instability Asset Availability, Utilisation and Marketability	
 Values, Governance and Business Ethics	Maintain high standards of corporate governance, ethical practices and integrity for sustained business resilience and long-term growth.	<ul style="list-style-type: none">Strengthen governance through the establishment of several frameworksImprove risk practices on ESG-related matters (including cybersecurity governance) and strengthen Board oversightEncourage strict adherence to laws, policies, standards and guidelines by implementing a zero-tolerance approach to unethical practices, discriminatory actions and non-compliance	Governance Pillar: Values, Assurance and Business Ethics
 SDGs:	Key Capitals: Social & Relationship Capital Financial Capital	Risks: Increasing Climate-Related Regulations and Requirements Governance and Integrity Project Management Geopolitical Instability Cybersecurity	
 Climate Change	Transition to low-carbon economy to align with international sustainability goals and regulatory standards.	<ul style="list-style-type: none">Establish strategic plans for shipping and non-shipping operations to ensure adaptability and effective response to international regulations and policy changesDirect efforts across our operations and value chain to reduce emissions, advance decarbonisation efforts and improve low-carbon solutions	Environment Pillar: Towards Decarbonisation
 SDGs:	Key Capitals: Natural Capital Physical Capital Financial Capital Social & Relationship Capital Human Capital Intellectual Capital	Risks: Increasing Climate-Related Regulations and Requirements Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions Technology Developments	

Our Material Matters

Material Matter	Description	Our Approach	Sustainability Strategic Priorities
 Energy Management	Augment energy management for effective climate change mitigation.	<ul style="list-style-type: none">Continuously enhance energy efficiency design and operations for our shipping and non-shipping business to minimise environmental impactStrengthen governance frameworks to facilitate the adoption of effective energy management practices across the business segments and value chain	Environment Pillar: Towards Decarbonisation
SDGs: 	Key Capitals: <div><div>N Natural Capital</div><div>P Physical Capital</div><div>F Financial Capital</div><div>I Intellectual Capital</div></div>	Risks: <div><div> Increasing Climate-Related Regulations and Requirements</div><div> Technology Developments</div><div> Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions</div></div>	
 Financial Performance	Maintain a robust balance sheet and capital position to support future growth, enhance stability and ensure sustainable stakeholder returns. Explore clean energy segments to capitalise on the global energy transition.	<ul style="list-style-type: none">Implement strategic plans and growth strategies to improve business resilienceStrengthen financial governance to align with national and international requirements to ensure relevance to the current market environment	Financial Pillar: Financial Growth Plans
SDGs: 	Key Capitals: <div><div>F Financial Capital</div><div>P Physical Capital</div><div>I Intellectual Capital</div></div>	Risks: <div><div> Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions</div><div> Technology Developments</div><div> Geopolitical Instability</div><div> Project Management</div><div> Asset Availability, Utilisation and Marketability</div></div>	
 Human Rights	Ensure human rights principles are upheld across our operations and value chain.	<ul style="list-style-type: none">Establish and implement policies and frameworks to strengthen and promote human rights principles and practices across our operations and businessEmbed human rights due diligence practices in our systems and functions across our value chain	Social Pillar: Respecting Human Rights at Sea & Shore
SDGs: 	Key Capitals: <div><div>H Human Capital</div><div>SR Social & Relationship Capital</div></div>	Risks: <div><div> Governance and Integrity</div><div> Project Management</div></div>	
 Sustainable Supply Chain	Integrate ethical and environmentally-responsible practices into our value chain to mitigate our impact on the environment and society.	<ul style="list-style-type: none">Promote sustainable practices across our supply chain to improve resilienceIdentify collaboration/partnership opportunities on pollution prevention and decarbonisation of our operationsPromote circular economy across the value chain	Governance Pillar: Responsible Supply Chain Management
SDGs: 	Key Capitals: <div><div>F Financial Capital</div><div>SR Social & Relationship Capital</div><div>N Natural Capital</div><div>P Physical Capital</div></div>	Risks: <div><div> Project Management</div><div> Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions</div><div> Technology Developments</div><div> Increasing Climate-Related Regulations and Requirements</div><div> Governance and Integrity</div><div> Geopolitical Instability</div></div>	
 Ocean Health	Adopt pollution prevention measures to safeguard ocean biodiversity and minimise irreversible damage.	<ul style="list-style-type: none">Continue to improve our oversight and efforts in conserving ocean biodiversity	Environment Pillar: Biodiversity Conservation
SDGs: 	Key Capitals: <div><div>N Natural Capital</div><div>F Financial Capital</div><div>P Physical Capital</div></div>	Risks: <div><div> Increasing Climate-Related Regulations and Requirements</div><div> Health and Safety</div><div> Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions</div></div>	
 Security	Securing people and assets from threats and intrusions.	<ul style="list-style-type: none">Reinforce security management to strengthen coordination in addressing maritime security issues	Social Pillar: Health and Safety
SDGs:  	Key Capitals: <div><div>H Human Capital</div><div>SR Social & Relationship Capital</div><div>F Financial Capital</div><div>P Physical Capital</div></div>	Risks: <div><div> Cybersecurity</div><div> Health and Safety</div><div> Geopolitical Instability</div><div> Asset Availability, Utilisation and Marketability</div></div>	

Our Material Matters

Material Matter	Description	Our Approach	Sustainability Strategic Priorities
 Talent Development and Retention	Build a sustainable talent pipeline with the right skills for maritime industry growth. Invest in talent management for future business needs.	<ul style="list-style-type: none">Continue to foster a robust pipeline of high-performing talents through the establishment of several talent management frameworks to help nurture future-ready skills	Social Pillar: Talent Excellence
SDGs:  	Key Capitals: <div><div>H Human Capital</div><div>I Intellectual Capital</div><div>F Financial Capital</div></div>	Risks: <div><div> Talent Development and Retention</div></div>	
 Waste Management	Responsibly manage and monitor waste from generation to disposal to minimise environmental impact.	<ul style="list-style-type: none">Establish new standards and targets to improve our waste management practices and reduce waste production	Environment Pillar: Promoting Circular Economy
SDGs: 	Key Capitals: <div><div>N Natural Capital</div><div>F Financial Capital</div><div>P Physical Capital</div></div>	Risks: <div><div> Increasing Climate-Related Regulations and Requirements</div></div>	
 Diversity and Inclusion	A diverse workforce promotes creativity and innovation, with fair hiring and promotion policies.	<ul style="list-style-type: none">Implement policies and frameworks to cultivate an inclusive and fair workplace	Social Pillar: Talent Excellence
SDGs:  	Key Capitals: <div><div>H Human Capital</div><div>SR Social & Relationship Capital</div></div>	Risks: <div><div> Talent Development and Retention</div></div>	
 Digitalisation	Accelerate digitalisation to foster adaptability, data-driven decisions and innovative customer service across business operations.	<ul style="list-style-type: none">Transform internal processes and systems organisation-wide to enhance productivity and efficiencyContinue to leverage cutting-edge and eco-efficient technologies via our newbuilds/new assets to address market competition and maintain a competitive advantageUpskill and reskill our workforce to adapt to new technologies	Financial Pillar
SDGs:  	Key Capitals: <div><div>I Intellectual Capital</div><div>P Physical Capital</div><div>F Financial Capital</div><div>H Human Capital</div></div>	Risks: <div><div> Technology Developments</div><div> Talent Development and Retention</div><div> Cybersecurity</div><div> Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions</div></div>	
 Cybersecurity	Safeguard MISC's and stakeholders' critical data for business continuity.	<ul style="list-style-type: none">Strengthen cybersecurity governance and foster a culture of compliance through training to improve capabilities and awareness, thereby reducing security risks	Governance Pillar: Values, Assurance and Business Ethics
SDGs: 	Key Capitals: <div><div>F Financial Capital</div><div>I Intellectual Capital</div><div>H Human Capital</div><div>P Physical Capital</div></div>	Risks: <div><div> Cybersecurity</div><div> Technology Developments</div></div>	
 Community Investment	Contribute financially, non-financially and through employee volunteerism to promote social equity in our communities.	<ul style="list-style-type: none">Implement multi-stakeholder community initiatives and promote programmes focused on youths to cultivate interest in the maritime industry	Social Pillar: Community Investment
SDGs: 	Key Capitals: <div><div>SR Social & Relationship Capital</div><div>F Financial Capital</div></div>	Risks: <div><div> Talent Development and Retention</div></div>	

Our Risks and Mitigation Strategies

Risk management is a fundamental part of our business activities and decision-making. Sustaining the achievement of our business objectives necessitates an integrated approach to risk management across the Group, maintaining a balanced view of the risks taken against the rewards of business performance.

Our approach to risk management is systematic and comprehensive, embodied in our Enterprise Risk Management (ERM) Framework. This structured framework is designed to identify, assess and mitigate risks effectively, ensuring that every potential challenge is managed efficiently and where possible turned into opportunities for growth and resilience.

Risk Management in 2023 Upward Stable For further details on the Group's risk management framework, please refer to our Statement on Risk Management and Internal Controls on page 185.

Increasing Climate-Related Regulations and Requirements

Definition

- Escalating climate-related policies and legislations, as well as an increase in demands from a diverse stakeholder base (capital providers, clients and regulators) to showcase our commitment to the global sustainability agenda, may potentially affect current operations and requirements

Impact on Value

- Rising cost of compliance due to higher CAPEX to retrofit existing assets to meet new requirements and potential carbon pricing
- Increasing risk of fines and penalties
- Potential loss of competitive edge to other players due to high carbon emissions and possible non-compliance to new laws
- Negative impact on reputation among stakeholders, including investors and financiers

Mitigation Strategies

Execution of strategic initiatives in line with the MISC 2030 Aspiration target of reducing 50% of our GHG emissions by 2030 through collaborative efforts across the industry in:

- Exploring innovative solutions such as low and zero-carbon emission vessels and carbon capture technologies
- Developing ammonia fuel value chain and deployment of ZEVs
- Pursuing the application of technologies and new approaches to shipping operations to achieve significant emission reductions

Risk Movements

Material Matters

Values, Governance and Business Ethics

Climate Change

Energy Management

Ocean Health

Waste Management

Sustainable Supply Chain

Key Capitals

Natural Capital

Human Capital

Financial Capital

Intellectual Capital

Social & Relationship Capital

Shift in Stakeholders' Preference Towards New Energy and Low-Carbon Solutions

Definition

- Reduced appetite among investors and financiers in the oil and gas industry and increasing customers' preference for new energy and low-carbon solutions may result in loss in business opportunities, exclusion from sustainability indexes and reputational damage

Impact on Value

- Assets becoming obsolete or reduced demand due to an intensified shift towards renewable energy and solutions
- Reduce competitive advantage due to escalating challenges in meeting stakeholders' environmental expectations and requirements
- Higher costs of borrowing

Mitigation Strategies

Actively pursuing future low-carbon solutions, while reducing the carbon footprint of our operations through:

- Selective monetisation of assets and investments into dual-fuel conventional assets and pivot to clean energy
- Collaborate with strategic partners to pursue opportunities in clean energy

Risk Movements

Material Matters

Climate Change

Financial Performance

Energy Management

Ocean Health

Sustainable Supply Chain

Digitalisation

Key Capitals

Natural Capital

Physical Capital

Financial Capital

Social & Relationship Capital

Our Risks and Mitigation Strategies

Technology Developments

Definition

- New technologies in the maritime and oil and gas industry are rapidly advancing, thus, failure to embrace and adopt them may impact MISC's competitive edge and accelerate obsolescences of existing assets

Impact on Value

- Reduced competitive advantage
- Increase in CAPEX and OPEX to implement new low-carbon technologies in existing assets
- Premature obsolescence of technology in existing assets
- Missed business opportunities due to limitation in specialised workforce for new technologies

Mitigation Strategies

- Allocate adequate capital and resources for digitalisation upgrades and initiatives across assets
- Continuously pursue the development and integration of latest technologies on both existing and new assets
- Implement continuous upskilling and reskilling efforts to ensure workforce adaptability to changes in operational requirements and processes associated with new technologies

Risk Movements

Material Matters

Financial Performance

Energy Management

Sustainable Supply Chain

Climate Change

Digitalisation

Cybersecurity

Key Capitals

Natural Capital

Physical Capital

Financial Capital

Intellectual Capital

Social & Relationship Capital

Human Capital

Geopolitical Instability

Definition

- Geopolitical instability in the form of war, sanctions, terrorism, trade wars, territorial disputes and piracy may lead to operational disruptions and impact new business opportunities

Impact on Value

- Exposure towards operational safety and adverse commercial impact on current contracts and new business opportunities
- Disruption in supply chains
- Escalation in cost of materials and services affecting operations and project execution
- Delays in project completion and asset downtime

Mitigation Strategies

- Conduct comprehensive and holistic risk assessment and identify potential exposures on geopolitical risks for projects and business opportunities
- Perform detailed background checks on partners and clients to avoid dealing with sanctioned countries/persons
- Increase monitoring and operating controls on projects and tightening of security on existing assets

Risk Movements

Material Matters

Financial Performance

Health and Safety

Values, Governance and Business Ethics

Security

Sustainable Supply Chain

Key Capitals

Financial Capital

Social & Relationship Capital

Human Capital

Physical Capital

Project Management

Definition

- Efficient and effective project planning and project execution are vital in mitigating risk of cost overrun, schedule slippage and poor quality in project delivery, which includes shipbuilding, asset construction and floater conversions, among others

Impact on Value

- Delay in project completion, cost overruns and quality deficiencies
- Erosion of project returns
- Potential imposition of Liquidated Damages (LD) from clients

Mitigation Strategies

- Assign relevant expertise and resources within the project management team to ensure efficient project execution and close monitoring throughout the project lifecycle
- Adhere strictly to project management guidelines
- Implement a robust project risk management process covering risk assessments and implementation of mitigation action plans throughout the project lifecycle, from pre-bid submissions to during and post-project phases

Risk Movements

Material Matters

Sustainable Supply Chain

Human Rights

Financial Performance

Values, Governance and Business Ethics

Key Capitals

Financial Capital

Social & Relationship Capital

Physical Capital

Intellectual Capital

Human Capital

Our Risks and Mitigation Strategies

Asset Availability, Utilisation and Marketability



Definition

- Under-utilisation and unavailability of assets/vessels due to poor maintenance, operational inefficiency and volatility of freight rates due to cyclical nature of the shipping market
- Stiffer competition in the market with newer, technologically advanced and fuel-efficient vessels

Impact on Value

- Major disruptions to vessel operations may impact revenue due to prolonged off-hire periods
- Inability to meet asset performance targets and requirements may impede vessel tradability
- Idle assets

Mitigation Strategies

- Establish and implement effective asset maintenance systems and process plans
- Ensure continuous development of highly-skilled and trained personnel to operate assets at optimal levels
- Continuously review and monitor vendors' and third-party service providers' performance to ensure consistently high standards of practices to drive operations and asset maintenance
- Ensure strict adherence to Health, Safety, Quality, Environment and Energy (HSQE-En) and Security Policy

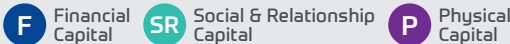
Risk Movements



Material Matters



Key Capitals



Governance and Integrity



Definition

- Adherence to statutory and regulatory requirements governing the organisation's operations, including compliance with internationally-accepted standards and best practices for business ethics

Impact on Value

- Exposure to litigation risks, financial disputes and business disruptions
- Negatively impact our reputation, leading to loss of stakeholder and client trust

Mitigation Strategies

- Strengthen adherence to MISC's Anti-Bribery and Corruption (ABC), CoBE, Economic Sanctions and Export Control, including Competition Law, among others
- Ensure critical compliance clauses are incorporated into third-party agreements/contracts
- Performance and adherence towards relevant laws and regulations embedded into the overall key performance measurement
- Conduct regular assurance activities and training on the laws surrounding ethics and compliance to continuously improve awareness levels

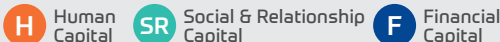
Risk Movements



Material Matters



Key Capitals



Health and Safety



Definition

- Exposure to a wide range of health, safety, security and environmental risks

Impact on Value

- Disruptions to business and operations
- Financial and commercial losses due to penalties, clean-up costs and potential loss of clients
- Unsafe working environment for personnel/workforce
- Major reputational damage to the Group

Mitigation Strategies

- Strengthen HSSE governance with rigorous policy adoption, integration and enforcement into the Group's working culture to promote best practices
- Implement Generative HSSE Culture Awareness programme
- Closely monitor and manage all HSSE-related risks

Risk Movements



Material Matters



Key Capitals



Our Risks and Mitigation Strategies

Cybersecurity



Definition

- Increasing cybersecurity threats globally may expose MISC Group to cybersecurity breaches as MISC expands its technology and digital footprint

Impact on Value

- Disruptions to business and operations
- Loss of critical data and information
- Potential litigation exposure and financial losses
- Major reputational damage and loss of trust among stakeholders

Mitigation Strategies

- Strengthen cybersecurity governance by adoption, integration and enforcement of relevant cybersecurity policies, standards and procedures
- Conduct cybersecurity assessments to identify potential vulnerabilities and weaknesses
- Continuously conduct cybersecurity awareness programmes

Risk Movements



Material Matters



Key Capitals



Talent Development and Retention



Definition

- Attracting and retaining talent in the maritime industry remains an ongoing challenge. This includes the difficulty in retaining a strong human capital team, which may impede the development of knowledge and skills aligned to industry demands

Impact on Value

- Insufficient pool of readily available successors to assume critical positions
- High attrition and undeveloped skills impede achievement of business targets and growth

Mitigation Strategies

- Undertake detailed succession planning and initiatives to ensure a sustainable pipeline of talents
- Execute a Contingent Workforce initiative to provide flexibility in talent pool resourcing
- Deploy a structured and holistic development process to continuously build employees' competency and capability levels
- Implement a structured Functional Competency and Leadership Competency framework

Risk Movements



Material Matters



Key Capitals



Delivering Our Strategy and Its Focus

Delivering Our Strategy

In 2023, the global landscape continued to be impacted by geopolitical tensions, which persisted from the previous year. While the Russia-Ukraine war continued, the Middle East conflict intensified in the fourth quarter, further escalating the disruptions to global energy trade and global supply chain. The oil trade landscape has witnessed an increasing share of Russian oil exports flowing into Asia and Europe has pivoted towards importing LNG from alternative sources.

In this uncertain market landscape, MISC continued to generate value-driven outcomes by focusing on project delivery and execution, while strengthening its ESG commitments. The Group continued to build its capabilities and strengthen its core operations while focusing on purposeful entry into clean energy business and decarbonising its operations.

Our Sustainability Strategy is driven by the considerations of material ESG risks and opportunities that have been embedded into our business plan. It ensures that we deliver on the commitments we have made to our key stakeholders.

The strategic priorities in 2023 were based on three key pillars - Selective Investments and Project Delivery Excellence, Pacing Growth to Ensure Sustainability and Strategic Business Review. These

priorities reflect commitment to generate secured and recurring cash flows, pursue sustainable business practices and gradually reshape our business portfolio considering our risk appetite and affordability.

During the year, we embarked on a transformative journey involving our marine services business. The integration of Port Management & Maritime Services and Integrated Marine Services under a unified segment, is one of the strategic initiatives under MISC 2030 Aspiration. This synergistic move, driven by the maritime industry's evolving dynamics and challenges, aims to expand the depth of service offerings and effectively meet our clients' and partners' diverse needs.

In addition, in advancing our pivot towards the clean energy segment, a New Energy and Decarbonisation (NED) unit was established in 2023 and this initiative has enabled the Group to develop feasible clean solutions for commercialisation. Following a successful incubation period, this unit is poised to evolve into a fully operational business division in 2024.

MISC signed a Term Sheet with PETRONAS CCS Ventures and MOL, for the potential incorporation of a joint venture entity to invest in developing LCO₂ carriers. Another notable highlight is the AiP from DNV for our innovative FCSU and FCSU-I concept that was jointly developed with SHI.



Delivering Our Strategy and Its Focus

Key Achievements in 2023

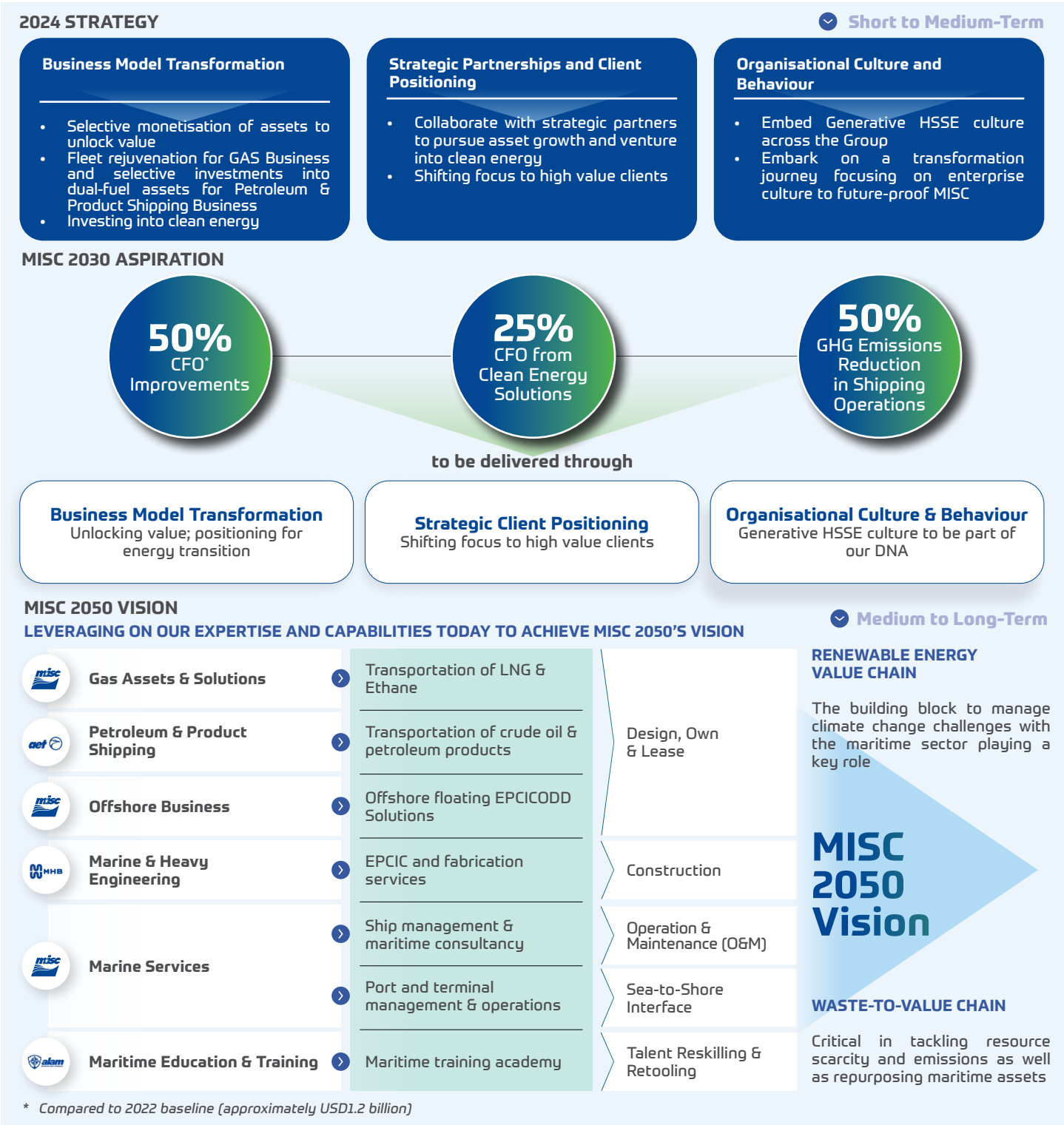
Strategic Pillar	Key Focus Areas	Key Achievements				
Selective Investments and Project Delivery Excellence	Long-term contracts	<ul style="list-style-type: none">25% increase in Cash Flows (CF) from Secured Income <p>CF from Secured Income</p> <table><tr><td>2023 (RM mil)</td><td>6,446.5</td></tr><tr><td>2022 (RM mil)</td><td>5,168.4</td></tr></table>	2023 (RM mil)	6,446.5	2022 (RM mil)	5,168.4
		2023 (RM mil)	6,446.5			
	2022 (RM mil)	5,168.4				
	<ul style="list-style-type: none">14% improvement in Cash Flows from Operating Activities <p>CFO*</p> <table><tr><td>2023 (RM mil)</td><td>6,536.1</td></tr><tr><td>2022 (RM mil)</td><td>5,722.0</td></tr></table>	2023 (RM mil)	6,536.1	2022 (RM mil)	5,722.0	
2023 (RM mil)	6,536.1					
2022 (RM mil)	5,722.0					
Diversifying into new asset classes	<ul style="list-style-type: none">Secured a contract for one FSU unit with Pengerang LNG (Two) Sdn.Bhd.					
Project execution, delivery and operational excellence	<ul style="list-style-type: none">Secured delivery for:<ul style="list-style-type: none">AET's LNG dual-fuel VLCCs, <i>Eagle Ventura</i> and <i>Eagle Vellore</i>. A third LNG dual-fuel VLCC was delivered in early 2024.GAS Business's eco-efficient LNGCs - <i>Seri Daya</i> and <i>Seri Damai</i>Ensured MERO 3 Project meet its construction and delivery targets					
Pacing Growth to Ensure Sustainability	Maintaining financial discipline	<ul style="list-style-type: none">Maintained MISC's position as one of the highest rated shipping companies, holding Moody's Baa2 and S&P Global Ratings BBB+				
	Decarbonisation	<ul style="list-style-type: none">24% reduction in fleet average CO₂e intensity (compared to 2008 baseline) <p>GHG Emissions Intensity</p> <table><tr><td>2023 (gCO₂E/t-nm)</td><td>5.84</td></tr><tr><td>2022 (gCO₂E/t-nm)</td><td>6.30</td></tr></table>	2023 (gCO ₂ E/t-nm)	5.84	2022 (gCO ₂ E/t-nm)	6.30
2023 (gCO ₂ E/t-nm)	5.84					
2022 (gCO ₂ E/t-nm)	6.30					
Strategic Business Review	Reassess business portfolio to unlock value	<ul style="list-style-type: none">Completed a strategic business review exercise and integrated the strategy into the 2024-2028 business planIncubation of NED unit				

* This refers to the adjusted CFO which excludes the payment for costs relating to turnkey activities for MERO 3 Project and the one-off FSU prepayments in 2023.
** Exchange rate (USD to MYR); 2023: 4.56 and 2022: 4.40.

Delivering Our Strategy and Its Focus

Our Strategic Roadmap Towards MISC 2050 Vision

The market landscape is expected to remain challenging, dominated by uncertainties due to geopolitical tensions, trade wars between major economies and energy security concerns. The prolonged geopolitical conflicts across regions could potentially shift the power balance among countries and reshape the global economy. Amidst these challenges, the Group anticipates numerous opportunities given the sustained need for oil and gas and growing demand for clean energy.



Delivering Our Strategy and Its Focus

Short to Medium-Term (MISC 2030 Aspiration)

Recognising the dynamic landscape of the global maritime industry in 2023, we conducted a comprehensive reassessment of our business portfolio and strategy to establish a solid foundation for a successful transition to a low-carbon future. The Group has established the MISC 2030 Aspiration, which acts as a call for action in mobilising our workforce to pivot for a sustainable future aligned with the MISC 2050 Vision, with the overarching goal of advancing towards a Net-Zero and circular economy.

At its core, the MISC 2030 Aspiration is our short to medium-term strategy that aims to deliver sustainable financial returns to stakeholders while significantly reducing GHG emissions. Key targets under the MISC 2030 Aspiration are outlined below:

- 50% improvement in CFO
- 25% of CFO from clean energy solutions
- 50% reduction in GHG emissions from shipping operations

Our 2024 business strategy is crafted based on the three strategic priorities anchoring MISC 2030 Aspiration.

Business Model Transformation

Our business model transformation involves expanding the depth of service offerings to effectively meet our clients' and partners' diverse needs. We recognise that to achieve our aspirational targets, this would require capital to be redeployed towards clean energy and decarbonisation initiatives. Hence, a significant portion of our CAPEX will be directed towards this, strategically balancing our current business with a growing clean energy portfolio. We will pursue selective investments responsibly to optimise returns on our portfolio while remaining aligned with the evolving energy market. In parallel, we will be unlocking value through selective asset monetisation whilst facilitating a transition into the clean energy sector organically and inorganically.

Strategic Partnerships and Client Positioning

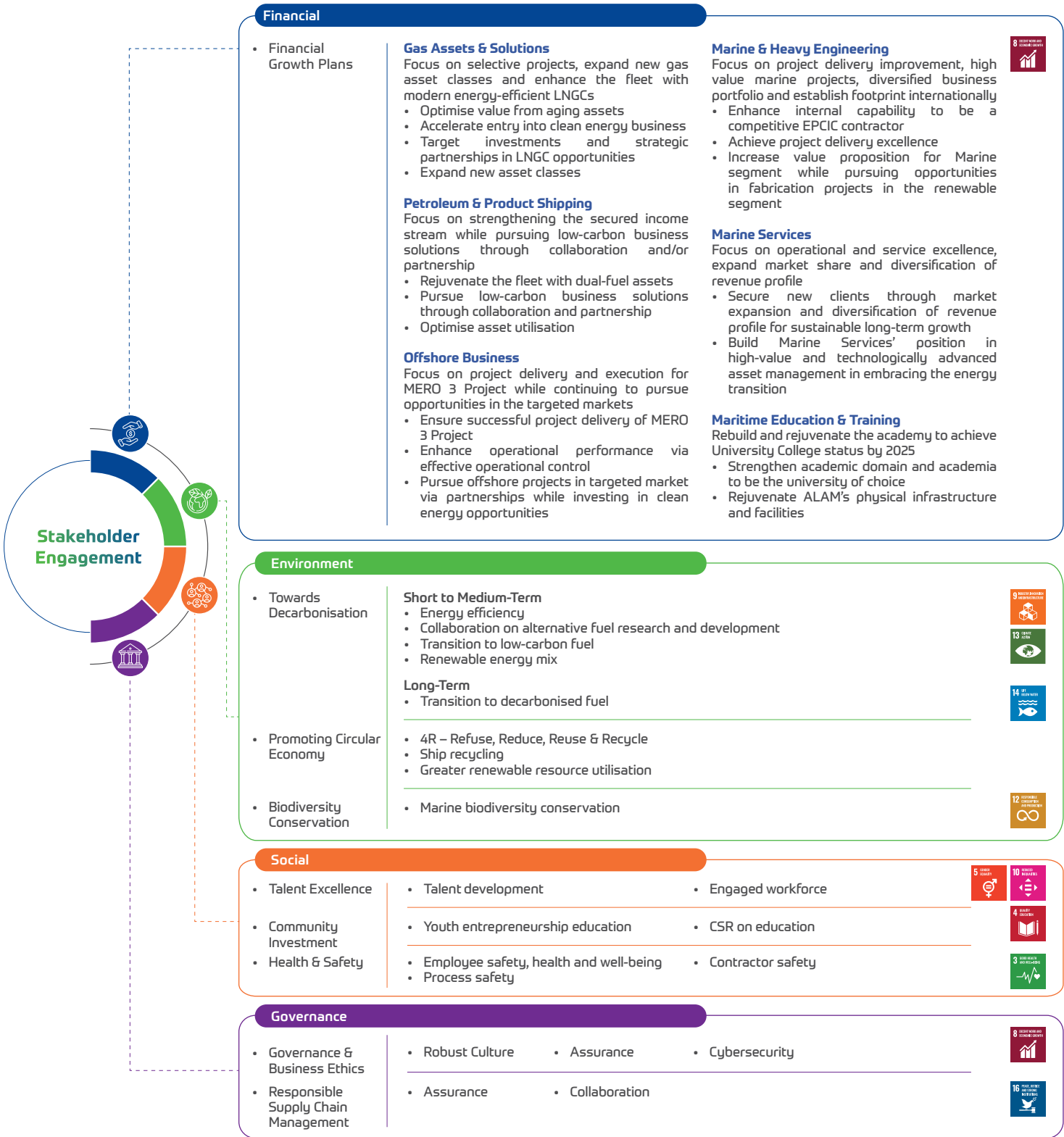
We are dedicated to building a supportive ecosystem through collaboration with like-minded stakeholders, including financial institutions, who share our vision for a lower carbon future. In line with our strategy, we will collaborate with industry partners to combine our strengths and accelerate the development of a sustainable energy portfolio. This includes investing in transitional assets such as dual-fuel vessels while exploring innovative solutions across the industry such as zero-carbon emission vessels, CCS technologies, LCO₂ and ammonia carriers, FCSU and FCSU-I solutions and other clean energy solutions synergistic with our existing business operations. By engaging in collaborative partnerships, we aim to mitigate risks while advancing the commercialisation of future low-carbon solutions.

Organisational Culture and Behaviour

We will continue to invest in upskilling our talent to enhance their capabilities and cultivate a Generative HSSE culture. In addition, the Group will embark on a transformation journey focusing on enterprise culture to future-proof MISC. These initiatives will play a pivotal role in realising MISC 2030 Aspiration by instilling the desired mindset and behavioural shifts throughout the organisation.

Delivering Our Strategy and Its Focus

In addition, we have embedded sustainability matters that are aligned with our Sustainability Strategy into our business strategies. The strategy focuses on the four key sustainability pillars: Financial, Environment, Social and Governance, underpinned by Stakeholder Engagement.



Delivering Our Strategy and Its Focus

Medium to Long-Term (MISC 2050 Vision)

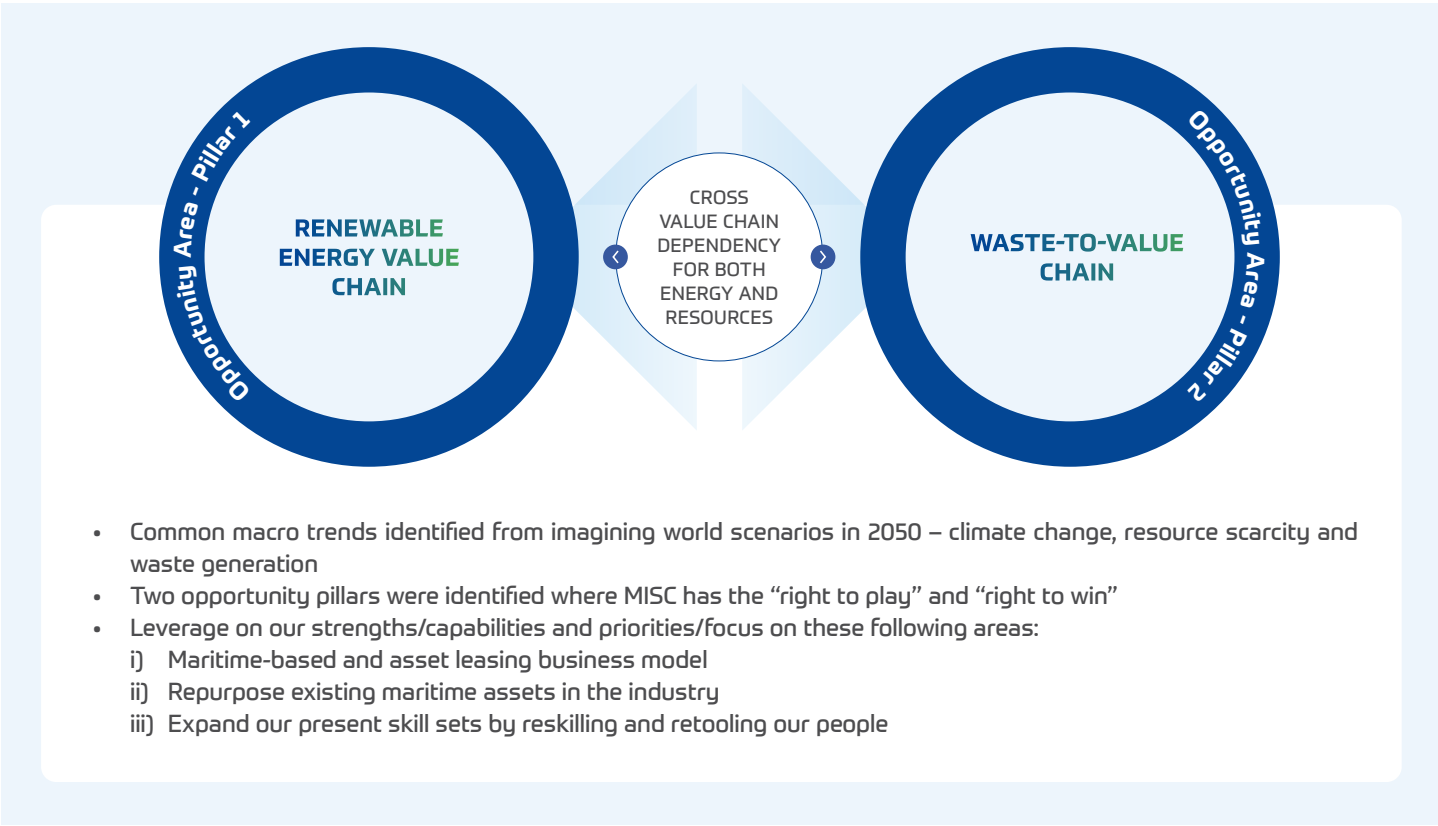
In parallel with our short to medium-term strategy and Sustainability Strategy, we have developed our longer range MISC 2050 strategy to future proof our business. Our long-term strategic plan addresses the threats we face in the form of a fast-changing regulatory landscape that is accelerated by the global decarbonisation agenda. At the same time, we are developing our organisational resilience and adaptability to ensure our future sustainability by identifying how MISC can remain a thriving business in a decarbonised and Net-Zero future. While LNG is a lower-emission fuel that is being used in the energy transition and will remain on our horizon in the short to medium-term, we also foresee the need to develop ZEVs to ensure a license to operate. Therefore, we are plotting our roadmap to capture opportunities arising from the Green Economy.

MISC 2050 is a strategic roadmap which lays out our journey in reimagining the economic, environmental and societal role of MISC come the year 2050. More specifically, its goal is to identify

and develop new opportunities that will enable us to build new businesses and asset portfolios to be added to our present mix by capitalising on the energy transition as the world evolves towards a circular economy. It is our strategic response to the risks and opportunities we have identified as various possible scenarios of the future as we seek to build the Group's resilience in the face of unpredictable external forces leading to the middle of the century. Climate change, resource scarcity and waste generation form the key threats faced by the world. Even with diminishing land, water scarcity and rising sea levels due to climate change, the world is also clearly gearing up towards a Green Economy.

The two opportunity pillars we have identified are as follows:

- Renewable Energy Value Chain as the building block to manage climate change challenges with the maritime sector playing a key role
- Waste-to-Value Chain as critical in tackling resource scarcity and emissions as well as repurposing maritime assets



Delivering Our Strategy and Its Focus

As the global community seeks to bring about a Net-Zero future, we are witnessing the stepping up of commitments worldwide to combat climate change, as well as the acceleration of energy transition and circular economy. All these pose significant risks to MISC if left unaddressed, as it would limit our growth ability in the longer term. Towards future proofing our business as one that is a significant contributor to the global economy, MISC is implementing our medium to long-term strategy, MISC 2050.

Net-Zero GHG Commitment

MISC Group is committed to achieving Net-Zero GHG emissions by 2050 within both our own operations and across our value chain through the following climate strategy

Progressively converting our fleet and ensuring all newbuilds are zero-carbon emission vessels by 2030.

Increasing the use of renewable energy on our vessels, offshore assets and land operations.

Retrofitting carbon removal technologies on existing vessels.

Continuously deploying energy-efficient technologies and increasing operational efficiencies.



Section 7

BUSINESS REVIEW

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92	Marine Services
96	Maritime Education & Training

Gas Assets & Solutions

Gas Assets & Solutions



Achieving operational excellence in a world that is constantly disrupted by concerns on energy security, financial volatility, environmental challenges and rapid technological developments requires a certain amount of resilience and drive. At Gas Assets & Solutions, we view these challenges not as obstacles, but as catalysts for innovation and a redefinition of our approach to business.

Throughout 2023, our focus was on capitalising on growth opportunities to enhance operational efficiency, financial resilience and maintain our competitive edge. We took progressive steps to explore opportunities within the clean energy sector and enhanced our sustainable initiatives by integrating energy-efficient technologies into our business. This approach not only unlocked value from our existing vessels but also ensured compliance with international regulations.

Moving forward, our strategy is clear: to continuously deliver value to our stakeholders through our sustainable solutions while progressing towards MISC's 2030 Aspiration. This journey, we believe, embodies the essence of progress - a blend of strategic foresight, innovative thinking and unwavering commitment - that defines our path towards sustainable success.



Hazrin Hasan
Vice President, Gas Assets & Solutions

WHAT WE DO

Gas Assets & Solutions, backed by decades of proven experience, strong reputation for operational excellence, reliability and on-time cargo deliveries, remains committed to pushing boundaries in the gas shipping industry, with a primary focus on LNG, ethane transportation and new LNG asset-based solution opportunities such as FSU, Floating Storage Regasification Unit (FSRU) and Floating Storage Regasification Powerplant (FSRP), while leveraging on cutting-edge technology solutions.

In line with the global energy transition, we are venturing into clean energy business initiatives, including the development of ammonia-fuelled ammonia carriers and LCO₂ carriers. We aim to be at the forefront by providing reliable, efficient and sustainable solutions to meet the evolving challenges in the global gas shipping market by collaborating with technology partners and other segments within the MISC Group. This strategic approach highlights our commitment to innovation whilst upholding rigorous HSSE standards in delivering quality services to all our clients.



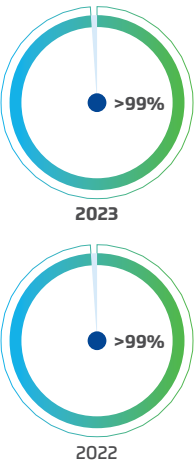
KEY FOCUS AREAS AND RESULTS

Focus Area	What We Did in 2023	Results
Unlock Value from Existing Assets	Optimisation <ul style="list-style-type: none">Enhanced vessel utilisation and value from existing tonnage	<ul style="list-style-type: none">Achieved more than 99% vessel utilisation.Converted <i>Puteri Delima Satu</i> into an FSU to secure long-term earningsUnlock capital via sale and leaseback under the Nissen Kaiun partnership
Asset Portfolio Rejuvenation	Growth <ul style="list-style-type: none">Added new generation LNGCs to existing fleet portfolioExpanded current portfolio with the addition of FSU	<ul style="list-style-type: none">Delivered two new LNGCs to SeaRiver Maritime (SRM) LLC, a wholly-owned subsidiary of ExxonMobilEntered into a binding HOA with PLNG2SB for the supply, operation and maintenance of an FSU
Sustainability & Compliance	Sustainability <ul style="list-style-type: none">Focused on new assets with greater efficiency and lowering emission on existing assets Compliance <ul style="list-style-type: none">Ensured adherence to international standards and requirements	<ul style="list-style-type: none"><i>Seri Damai</i> and <i>Seri Daya</i> achieved Green Ship statusFSU for PLNG2SB is designed to receive shore power to reduce emissionsShaPoLi are installed on our existing vessels to assist in meeting emission regulations

KEY ACHIEVEMENTS

Revenue (RM million)	Operating Profit (RM million)
2023 3,263.9	2023 1,572.1
2022 3,113.4	2022 1,536.6

Vessel Utilisation



Milestones

- Operational Excellence**
 - Delivered 23.8MTPA worth of cargo, approximately 6% of the global LNG transportation volume
- Project Delivery Excellence**
 - Conducted steel cutting for the consortium's first vessel for QatarEnergy in Shanghai, China. The consortium consists of MISC Berhad, Nippon Yusen Kabushiki Kaisha (NYK), Kawasaki Kisen Kaisha, Ltd. (K-Line) and China LNG Shipping (CLNG)

Awards and Recognitions

Sustainability-Linked Deal of the Year for Asia by Marine Money

Innovative Sustainability-Linked USD527 million Senior Secured Term Loan for six VLECs with environmental and governance key performance indicators (KPIs).

Green Ship Status

Achieved Green Ship status for *Seri Damai* and *Seri Daya*.

Gas Assets & Solutions

NAVIGATING THE CHALLENGES IN 2023

Challenges	Mitigation Action	Results
Increasing Competition	Strengthened market position <ul style="list-style-type: none">Progressed with strategic alliances and partnerships to enhance competitive advantage	<ul style="list-style-type: none">Successfully secured long-term charter contract with QatarEnergy via consortium with NYK, K-Line & CLNG
Evolving Global Regulatory Developments	Implemented retrofit solutions <ul style="list-style-type: none">Evaluated technological solutions to retrofit less efficient assets to comply with new policy and regulatory requirements	<ul style="list-style-type: none">Adopted ShaPoLi to enhance energy efficiency to comply with the IMO EEXI requirements
Maximising Returns of the Asset Throughout the Useful Life	Explored options to unlock or extend asset value <ul style="list-style-type: none">Explored non-conventional business opportunities	<ul style="list-style-type: none">Sale and leaseback under the Nissen Kaiun partnershipConversion of <i>Puteri Delima Satu</i>, into an FSU dedicated to PLNG2SB FSU project

MOVING FORWARD

- Focus on selective LNGC projects and enhance the fleet with modern, energy-efficient LNGCs
- Identify opportunities to leverage existing assets for FSU/FSRU/FSRP services and expand the ethane carrier business segment
- Achieve operational excellence across all assets, maximising their value throughout their useful life while aligning with EEXI/CII requirements
- Explore LCO₂ and ammonia carrier business segments to establish a presence in the clean energy sector
- Drive ongoing engagements with industry players and relevant authorities, both at a national and international level



Petroleum & Product Shipping



“

Sustainability is currently at the forefront of the shipping industry. At AET, we are fully committed to this transformative journey, taking strides towards reducing emissions to contribute to a more sustainable industry. Cognisant of this, we have launched our new energy transition strategy #deliveringProgress that aims to deliver more energy with less emissions to meet the world’s need for energy security and society’s demand for lower emissions. This will be done through strengthening our core operations, purposeful entry into clean energy business and decarbonisation of our operations. This new strategy supports our goal to reduce our fleet’s GHG emissions and contributes to the Group’s decarbonisation targets.

In 2023, we leveraged on favourable market conditions to deliver more value and made significant progress towards decarbonisation. AET delivers its best financial performance to date in 2023 and continues to progress its decarbonisation agenda. We took delivery of two new LNG dual-fuel VLCCs, with a third delivered in early 2024 as part of our asset rejuvenation programme. We are further translating ambitions into actions with our ongoing development of ultra-low emission vessels and collaborating with partners globally, as we recognise the urgency of addressing environmental challenges.

While concerns on climate change and sustainability have prompted the industry to drive changes that impact people and planet positively, it also presents new opportunities for AET to strengthen its position in the industry.

”

Zahid Osman
President & CEO, AET

WHAT WE DO

AET is a leading global owner and operator of a fleet of tankers, playing a key role in delivering petroleum and refined products across the world. We are strong advocates of sustainable shipping practices, aligned to meet the world’s evolving energy needs.

In addition to conventional energy shipping services for crude oil and refined petroleum products, we lead the market in specialised lightering services in the US Gulf. Furthermore, we are an established player in owning and operating DPSTs. As the exclusive owner-operator of MCVs, we have the capability to capture hydrocarbons and other contaminants in the event of an oil well incident. We are also a pioneering owner-operator of a growing fleet of LNG dual-fuel vessels, reflecting our commitment to investing in economically viable and environmentally responsible shipping solutions.



Petroleum & Product Shipping

KEY FOCUS AREAS AND RESULTS

Focus Area	What We Did in 2023	Results
Fleet Rejuvenation	VLCC Fleet rejuvenation <ul style="list-style-type: none">Took delivery of new dual-fuel vessels	<ul style="list-style-type: none">Delivered two LNG dual-fuel VLCCs (<i>Eagle Vellore</i> and <i>Eagle Ventura</i>), on long-term charters to Shell Tankers (Singapore) Private Limited, strengthening AET's secured income. Delivery of the third LNG dual-fuel VLCC was in early 2024
Towards Decarbonisation	Strategic agreements <ul style="list-style-type: none">Entered into partnership agreements supporting our investments in ultra-low to zero-emission vessels	<ul style="list-style-type: none">Signed an MoU with PTLCL to explore a potential collaboration to deploy a future ultra-low emission Aframax, powered by green ammoniaSigned a collaboration agreement with WinGD to drive the development of engines for ammonia dual-fuel vessels

KEY ACHIEVEMENTS

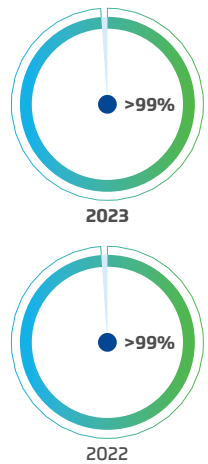
Revenue (RM million)



Operating Profit (RM million)



Vessel Utilisation



Milestones

1

Newbuilds Delivered

- Successfully delivered three LNG dual-fuel VLCCs, designed with modern technologies, meeting the IMO's 2025 EEDI Phase III standards

2

Innovative Solutions

- Signed a collaboration agreement with WinGD to drive the development of engines for ammonia dual-fuel vessels

Awards and Recognitions



CSA Jones F. Devlin Safety Award

Recognised 48 vessels for exceptional health and safety records.

CSA Environmental Achievement Award

Awarded 40 vessels, reflecting our continued dedication to environmental excellence.

Petroleum & Product Shipping

NAVIGATING THE CHALLENGES IN 2023

Challenges	Mitigation Action	Results
OPEC+ Production Cuts	Enhanced financial resilience <ul style="list-style-type: none">Strengthened secured income strategy	<ul style="list-style-type: none">Fleet was less affected by the volatility as a large proportion of our vessels are on long-term charters
Geopolitical Tensions Resulted in Heightened Security Risk	Improved safety of crew and vessels <ul style="list-style-type: none">Avoided conflict zonesConducted close monitoring of sanctions compliance	<ul style="list-style-type: none">Safety of the crew and assets were prioritised
High Interest Rate Environment	Proactively managed loan portfolio <ul style="list-style-type: none">Strategically hedged loans at favourable rates to mitigate the impact of rising interest rates	<ul style="list-style-type: none">Limited impact from rising interest rates

MOVING FORWARD

- Rejuvenation of the AET fleet with new and efficient tankers
- Continue to strengthen AET's lightering business in the US Gulf
- Collaborations with partners to develop ultra-low to zero-emission vessels and other initiatives to decarbonise shipping operations
- Continue to explore opportunities in the renewable energy segment carbon value chains and future fuels through collaborations and partnerships with our customers and industry partners



Offshore Business

Offshore Business



The FPSO market has seen remarkable growth recently, fueled by increased exploration and production activities. Concurrently, there’s a pivotal shift towards decarbonisation, incorporating advanced technologies and solutions to boost efficiency and facilitate a Just Transition.

In this dynamic context, our Offshore Business has strategically enhanced our capabilities, progressed on existing brownfield and greenfield projects as well as positioning ourselves for future growth with innovative initiatives. We are focused on global markets, pursuing projects that leverage our strengths, utilise diverse contracting structures and forge key partnerships. Our goal is to become the “Best in Class FPSO Operator,” driven by our commitment to operational excellence and project delivery.

Central to our decarbonisation agenda are progressive initiatives for sustainable FPSO designs and products, including Oxy-Fuel Power Generation and Ammonia FPSO, aligning with our Sustainability Strategy Plan. A significant 2023 milestone was the sail away of the *FPSO Marechal Duque de Caxias* in February 2024, a testament to our team’s resilience, agility and dedication.

Moving forward, we remain resolute in maintaining this momentum, navigating the evolving business environment with precision and safety at the forefront. While we anticipate an exceptionally busy and transformative year, we remain committed to setting new benchmarks in the FPSO industry.



Alexander James Brigden
Vice President, Offshore Business

WHAT WE DO

Offshore Business is a key player in the FPS sector, offering a wide array of offshore solutions and attractive partnership opportunities. Our expertise spans EPCIC, Repair and Life Extension (RLE) and decommissioning, positioning us strategically in the FPS market. Renowned for our adaptability, we cater to diverse fields, including greenfield and brownfield developments, ensuring each project is set-up for success.

Globally, we operate 13 assets across various locations including Malaysia, Thailand, Brazil and Vietnam. This global presence allows us to tap into various markets, reinforcing our mission to become the ‘Best-in-Class FPSO Operator’ and set industry standards for excellence.



KEY FOCUS AREAS AND RESULTS

Focus Area	What We Did in 2023	Results
Operational Excellence	Commitment to achieve the highest standard in project delivery <ul style="list-style-type: none">Ensured project delivery within schedule Asset operation and maintenance integrity <ul style="list-style-type: none">Updated Asset Integrity and HSSE Management Framework to align with industry standardsAchieved ISO 55001 Asset Management Certification and conducted Asset Integrity Audits	<ul style="list-style-type: none">Schedule recovery for <i>FPSO Marechal Duque de Caxias</i> despite the supply chain disruption and lingering effects of COVID-19Conducted Asset Integrity Management Framework for <i>FPSO Marechal Duque de Caxias</i>Strengthened Integrated Management System (IMS) for O&M and HSSE Integrity
Asset Project Management and Execution	Strengthened asset life extension <ul style="list-style-type: none">Efficiently managed projects throughout their lifecycle Asset demobilisation/relocation programmes <ul style="list-style-type: none">Remained committed to delivering quality services to clients	<ul style="list-style-type: none">Attained Certificate of Classification extension for <i>FSO Orkid</i>Completed Phase 2 Life Extension study for <i>FPSO Kikeh</i>Demobilised <i>FPSO Bunga Kertas</i> to MMHE for refurbishment
Towards Decarbonisation	Incorporated sustainability into business and operations <ul style="list-style-type: none">Introduced Environmental Performance Monitoring System (EPMS)Enhanced GHG Inventory Management and Scope 3 reporting	<ul style="list-style-type: none">Successfully executed Proof of Concept for real-time GHG monitoring at <i>FSO Orkid</i>Introduced the NBFPSO with MMEGA, achieving a 40% GHG reduction compared to similar-sized FPSOs
HSEQ Excellence	Sustained certifications <ul style="list-style-type: none">Recorded advanced standing in quality certifications	<ul style="list-style-type: none">ISO 9001 and ISO 29001 for Quality Management SystemISO 45001 and ISO 14001 for HSE Management SystemISO 55001 for Asset Management System

KEY ACHIEVEMENTS

Revenue (RM million)

2023	2,548.2
2022	4,322.4

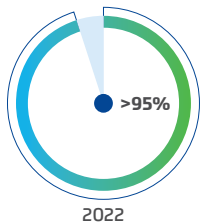
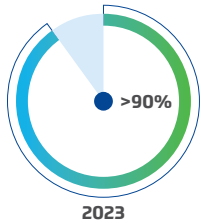
Operating Profit (RM million)

2023	652.2
2022	665.8

Offshore Business

KEY ACHIEVEMENTS

Asset Uptime



Milestones

1

Operational Excellence

- Achieved 28 million manhours without LTI for the *FPSO Marechal Duque de Caxias* project
- Achieved zero “non-conformance” for ISO 55001 Asset Management certification for the second consecutive year
- Successfully concluded the Operational Safety Management System (SGSO) audit conducted by the Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) with no critical findings

2

Towards Decarbonisation

- Introduced the NBFPSO with MMEGA, achieving a 40% GHG reduction compared to similar-sized FPSOs
- Obtained an AiP for an innovative FCSU and FCSU-I, enhancing maritime carbon capture and storage efficiency

Awards and Recognitions



Malaysian Society for Occupational Safety and Health (MSOSH)

Attained Occupational Safety and Health Award “Gold Class I” for *FSO Puteri Dulang* and *FSO Orkid*.

American Bureau of Shipping (ABS)

Achieved SUSTAIN-1 Class Notation Certification for MMEGA by the American Bureau of Shipping.

NAVIGATING THE CHALLENGES IN 2023

Challenges	Mitigation Action	Results
Energy Transition	Drive innovative solutions <ul style="list-style-type: none">Enhanced efforts in the development and deployment of renewable energy technologies	<ul style="list-style-type: none">Engaged in advancing the concept and development of clean assets and solutions
Limited Funding Sources	Securing new financing sources <ul style="list-style-type: none">Improved access to funding for new project via strategic partnerships	<ul style="list-style-type: none">Established partnerships and alliances within the industry, including the financial community
Global Supply Chain Disruption	Strengthened stakeholder relationships <ul style="list-style-type: none">Explored partnerships and potential collaboration with industry players and yards	<ul style="list-style-type: none">Established strategic collaboration with yards, vendors and other key industry players to mitigate risks

MOVING FORWARD

- Explore deployment of our newbuild FPSO solution, MMEGA, to create synergies within the MISC Group
- Explore alternative viable FPSO solutions including clean initiatives
- Redeploy FPSOs in the brownfield market, leveraging on high energy prices and exploring floating infrastructure for low-carbon industries
- Strengthen the offshore business segment through collaborations and partnerships with renowned industry players to enhance capabilities and mitigate risks

Marine & Heavy Engineering



“

At MHB, we acknowledge the forthcoming surge in global upstream oil and gas investments. Our proactive efforts to streamline operational efficiency, embrace digitalisation and venture into renewable energy have not only enabled us to secure pivotal local and international projects but have also bolstered our regional standing.

Globally, nations have united in the pursuit of limiting global warming to 1.5 degrees Celsius and to realise this requires fundamental transformation of the energy sector. This transformation pivots on the integration of cutting-edge technologies, substantial investment and collaborative efforts among all stakeholders.

Moving forward, we remain committed to driving operational excellence, by enhancing project delivery and maximising asset utilisation. We will also focus on expanding our presence in the clean energy sector while ensuring our workforce is adept at navigating emerging low-carbon technologies. Our dedication to steering through the global energy transition entails adoption of innovative, sustainable and low-carbon solutions to propel MHB forward.

”

Mohd Nazir Mohd Nor
Managing Director & Chief Executive Officer,
Malaysia Marine and Heavy Engineering Holdings Berhad

WHAT WE DO

MHB is a leading global energy and marine solutions provider with a 50-year track record. We own and operate the largest fabrication yard in Malaysia and Southeast Asia, equipped with world-class facilities with comprehensive EPCIC services for both offshore and onshore structures. Our expertise extends to offshore deepwater fabrication, offshore conversion services and ship repair, including LNGC repair and dry docking. With three of the largest dry docks in Southeast Asia, we provide extensive ship repair, refurbishment, upgrading and life extension services for various types of vessels and rigs.

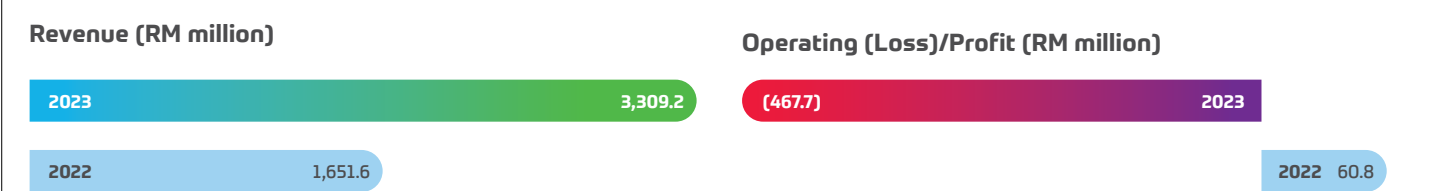
Recognising the importance of sustainability, we have expanded our services to support the global energy transition, focusing on renewable energy and decarbonisation initiatives such as carbon capture facilities and energy efficiency. We remain dedicated to delivering solutions that not only meet the needs of our stakeholders but also contribute to a sustainable and efficient future in the energy and marine sectors.



Marine & Heavy Engineering

KEY FOCUS AREAS AND RESULTS		
Focus Area	What We Did in 2023	Results
Revenue Enhancement	<p>New contract award Heavy Engineering</p> <ul style="list-style-type: none">Pre-qualified MHB as an EPCIC Contractor with international clients for offshore projectsExpansion into clean energy opportunities <p>Marine</p> <ul style="list-style-type: none">Focused on securing new projects	<ul style="list-style-type: none">Awarded EPCI contract for JDA Field Development Project (Phase 6) by CPOCQualified as an EPCIC Contractor with reputable oil majors internationallyPioneered Malaysia's first and world's largest offshore CCS project - Kasawari CCSAwarded the OSS HVDC for offshore wind farm <ul style="list-style-type: none">87 projects awarded in year 2023 through new and existing customers secured domestically and internationally
Digitalisation and Technology	<p>Digitalised supply chain</p> <ul style="list-style-type: none">Improved efficiency across project delivery supply chain	<ul style="list-style-type: none">Implemented the PANTHERA initiative in Heavy Engineering
Towards Decarbonisation	<p>Strategic collaborations</p> <ul style="list-style-type: none">Pursued partnerships with clean energy companies to develop innovative low-carbon products and services	<ul style="list-style-type: none">MoU with Fuelcell Energy for electrolyser plants and zero-carbon hydrogen productionSecured OSS HVDC platform contract
Talent Development	<p>Collaborated with government and industry bodies</p> <ul style="list-style-type: none">Leveraged employability initiatives through government agencies	<ul style="list-style-type: none">Forged partnerships with Malaysian government agencies to drive talent development and supply

KEY ACHIEVEMENTS



Marine & Heavy Engineering

KEY ACHIEVEMENTS



NAVIGATING THE CHALLENGES IN 2023

Challenges	Mitigation Action	Results
Energy Transition	<p>Drive innovative solutions</p> <ul style="list-style-type: none">Gradual shift towards renewable energy segments	<ul style="list-style-type: none">Strengthened presence in the renewable energy spaceSecured new renewable project contracts
Skilled Professional Scarcity	<p>Proactive recruitment</p> <ul style="list-style-type: none">Implemented targeted sourcing methods and referral programmes	<ul style="list-style-type: none">Collaborated with Government and Industry Bodies Government, Industry Bodies and education institutions for a steady pipeline of skilled workforce
Project Delivery and Execution	<p>Project delivery and execution excellence</p> <ul style="list-style-type: none">Strengthened project execution standards and promoted accountability within the project delivery process	<ul style="list-style-type: none">Adopted a standard operating procedure for enhanced estimation and benchmarkingImplemented indexing, reimbursable, cost-plus and re-measurable terms in new contracts

MOVING FORWARD

- Enhance operational efficiency and project delivery
- Drive revenue growth in Heavy Engineering from conventional business and clean energy projects
- Drive revenue growth in the marine repair segment and conversion projects

Marine Services

Marine Services



Captain Peter Liew Guan Hock
Managing Director/CEO,
Eaglestar Marine Holdings (L) Pte. Ltd.

“

In 2023, MISC embarked on a transformative journey in its marine services business. The Board of Directors sanctioned the integration of Port Management & Maritime Services and Integrated Marine Services into a unified segment, Marine Services, as part of the Group's strategic MISC 2030 Aspiration. This strategic move, opens up exciting opportunities. It will spur us in building greater synergy, enhancing our capabilities, delivering quality services and forging stronger alliances.

Throughout the year, MISC Maritime Services Sdn. Bhd. (MMS) and Eaglestar Marine Holdings (L) Pte. Ltd. (Eaglestar) have broadened our service spectrum and ventured into new markets. We have successfully secured new contracts for shipbuilding supervisory and project management team services, reinforcing our standing as a reliable industry service provider. We continued to prioritise operational excellence and environmental responsibility, aligning with regulatory standards and maintaining our industry leadership.

Looking ahead, this unification aims to effectively meet our clients' and partners' diverse needs, given the maritime industry's evolving dynamics and challenges.

Currently in its execution stage, this integration is expected to position the Group to adeptly navigate future industry shifts and seize emerging opportunities. This step is crucial in our journey to decarbonise our operations and contribute to a just energy transition.

”



Mohd Denny Mohd Isa
Managing Director & CEO,
MISC Maritime Services Sdn. Bhd.

WHAT WE DO

MMS offers comprehensive maritime services across Terengganu, Melaka, Sabah and Sarawak. Our services include pilotage, loading master services, marine controller support for oil and gas offshore operations and straits pilotage for VLCCs in the Straits of Malacca and Singapore (SOMS). We also specialise in port engineering and maintenance, covering jetty and single point mooring (SPM) upkeep, SPM refurbishment and dredging. Our marine consultancy and assurance services are provided by accredited inspectors, with a primary focus on the Ship Inspection Report Programme (SIRE) and Offshore Vessel Inspection Database (OVID), serving major oil and gas companies. With a track record spanning over three decades, we have built extensive capabilities and an experienced team.

Eaglestar provides a wide array of integrated marine services, encompassing fleet and crew management, dry-docking and project management for newbuild construction and conversion projects. We manage a modern and diverse fleet of vessels, supported by a team of highly skilled, competent and dedicated professionals. Our vision is to consistently deliver superior energy-related maritime solutions, extending our services beyond the MISC Group of Companies. Committed to safety and efficiency, we handle the management of vessels transporting energy or cargo globally. Our expertise covers the entire lifecycle of commercial vessels, dealing with a variety of oil and gas cargoes.



KEY FOCUS AREAS AND RESULTS

MMS – Port Management & Maritime Services

Focus Area	What We Did in 2023	Results
Business Portfolio Expansion	Expanded service offerings <ul style="list-style-type: none">Expanded maritime services to secure new revenue streamsPenetrated the SPM refurbishment services	<ul style="list-style-type: none">Secured Marine Advisor licensesSecured strategic partnerships with regional players in the maritime services to explore business opportunitiesEstablished pathway to penetrate the Indonesian market and the regionSuccessfully completed SPM refurbishment project for PETRONAS Carigali Sdn. Bhd. (PCSB)
Contributing to Maritime Growth	Knowledge sharing <ul style="list-style-type: none">Organised conferences and thought leadership sessions	<ul style="list-style-type: none">Hosted the first Port and Maritime Exchange 2023 (POMEX23) for industry discussions and collaborations, attended by over 200 participants from local and international organisations

Eaglestar – Integrated Marine Services

Focus Area	What We Did in 2023	Results
Service and Operational Excellence	Expanded service offerings <ul style="list-style-type: none">Identified new growth opportunities, regionally and internationally	<ul style="list-style-type: none">Secured first external ship management contract and multiple external newbuild project management contractsEstablished operations in new regionsContinued to provide newbuilding project management services for 12 vessels to QatarEnergy and two vessels to SRM
Harnessing Technology and Digitalisation	Embrace new technologies <ul style="list-style-type: none">Delivered technical services to Petroleum & Product Shipping and Gas Assets & Solutions segments	<ul style="list-style-type: none">55 vessels completed the installation of ShaPoLi system
Enhance Capability Building	Workforce upskilling <ul style="list-style-type: none">Launched skill transformation initiatives for seafarers to operate current and future vessel types	<ul style="list-style-type: none">Obtained approvals from the Marine Department Malaysia (MARDEP) for ALAM to drive the International Code of Safety for Ship Using Gases or Other Low-flashpoint Fuels (IGF Code) certification training for LNG and ammonia
Towards Decarbonisation	Promoted energy-efficient solutions <ul style="list-style-type: none">Collaborated with industry leaders in the Castor Initiative for decarbonisation and align closer with global environmental standards	<ul style="list-style-type: none">Developed training modules with maritime institutes for future-ready seafarers

Marine Services

KEY ACHIEVEMENTS

MMS – Port Management & Maritime Services

Number of Vessel Screenings Performed



Number of Vessel Inspections Performed



Number of SPM Refurbishments Completed



Milestones

- 1 **Operational Excellence**
- Zero interruption to clients' operations
 - Availability of inspectors >99%
 - Availability of marine crafts >99%
 - Availability of marine facilities: 100%
 - Zero Lost Time Injury (LTI) since 1999

Awards and Recognitions

Malaysian Society for Occupational Safety and Health (MSOSH)

Grand Award for excellent occupational safety and health performance at Sungai Udang Port.

Eaglestar – Integrated Marine Services

Vessel Availability (LNG and Petroleum Fleet)



Number of Vessels Managed



Project Management of Newbuilds



Milestones

- 1 **Operational Excellence**
- Lower than industry average LTIF at 0.05
 - Lower than industry average TRCF at 0.14
 - Achieved zero spill incidents
 - Expanded presence and services in Singapore and Brazil

Awards and Recognitions

Marine Fuel 360

Alternative-Fuelled Vessel Design of the Year for Eaglestar Shipmanagement (S) Pte Ltd.

Malaysian Society for Occupational Safety and Health (MSOSH) Awards

Awarded Gold Merit.

Marine Services

NAVIGATING THE CHALLENGES IN 2023

MMS – Port Management & Maritime Services

Challenges	Mitigation Action	Results
Market Positioning	Explore new opportunities and service offerings <ul style="list-style-type: none">• Expanded services to new regions	<ul style="list-style-type: none">• Successfully penetrated into new markets in Southeast Asia region

Eaglestar – Integrated Marine Services

Challenges	Mitigation Action	Results
Highly Competitive Market	Drive external revenue growth <ul style="list-style-type: none">• Increased collaboration with other stakeholders and expansion into the global market	<ul style="list-style-type: none">• Increased revenue generation from new clients

MOVING FORWARD

- Focus on delivery of operational and service excellence
- Secure new clients through market expansion for sustainable long-term growth
- Build Marine Services' position in high-value and technologically advanced asset management in embracing the energy transition



Maritime Education & Training



As the shipping industry advances towards heightened safety, stringent environmental standards and a transition towards sustainability the pivotal role of the human element has become increasingly more pronounced. Recognising this, we enhanced our academic programmes to prepare our students for the maritime challenges of tomorrow. We focused on cultivating students, fostering academia collaboration and building a strong talent pipeline; all aimed at empowering them with diverse studies and skills that not only foster personal growth but also contribute to a just and equitable industry transition.

2023 also proved to be a pivotal year for us, as ALAM continued to strive towards achieving University College status. We focused on creating a diverse, adaptable, skilled and talent pool through partnerships with academia and industry players, pushing beyond the boundaries of traditional education to inspire future maritime leaders.

Moving forward, we remain dedicated to cultivate a new generation of maritime professionals, ready to navigate the challenges of tomorrow and steer towards a sustainable future.



Eddie Adrianto Bin Ahmad Khodzali
Managing Director & Chief Executive Officer,
Malaysian Maritime Academy Sdn. Bhd.

WHAT WE DO

Malaysian Maritime Academy Sdn. Bhd. (MMASB) is a wholly-owned subsidiary of MISC Berhad (MISC) and the concession holder of ALAM. Located in Melaka, ALAM has emerged as the leading maritime training academy in Malaysia.

In our mission to shape the next generation of global maritime leaders both onshore and offshore, ALAM has currently built an extensive catalogue of more than 160 courses, including customised offerings to meet the specific needs of maritime industry talents.

Our team of academicians, coupled with our vessel simulator facility and unique campus environment, provides an immersive and interactive learning experience.



Maritime Education & Training

KEY FOCUS AREAS AND RESULTS

Focus Area	What We Did in 2023	Results
Diversified Educational Offerings	Strategic agreements <ul style="list-style-type: none">Formed partnerships within the maritime academic industry Strengthened academic curriculum <ul style="list-style-type: none">Diversified educational offerings, aligning with evolving industry needs and standards	<ul style="list-style-type: none">Formed partnerships with five local and five international universities and signed a Letter of Intent with nine industry partnersExpanded local and global academic network and enhanced maritime training, research and services <ul style="list-style-type: none">Introduced 40 new programmes, including four Ministry of Higher Education (MoHE) approved Diploma programmes to strengthen the academic curriculum
Contributing to Maritime Growth	Academic influence and industry collaboration <ul style="list-style-type: none">Enhanced ALAM's academic influence and fostered industry collaboration, sharing innovative practices and insights in maritime technology Career development support <ul style="list-style-type: none">Enhanced career opportunities for graduates, strengthening the maritime workforce	<ul style="list-style-type: none">Released the fourth edition of ALAM Journal of Maritime StudiesContributed to five indexed journalsPresented papers at seven conferencesConducted 10 webinars on emerging marine technology <ul style="list-style-type: none">Facilitated ship berths for 71 cadets at 15 shipping companiesAided 11 candidates with eligible ratings to gain employment at six shipping companies
Operational Excellence	Campus rejuvenation <ul style="list-style-type: none">Created conducive learning environment, fostering academic excellence	<ul style="list-style-type: none">Renovated and refurbished campus infrastructure

KEY ACHIEVEMENTS

Number of Courses Conducted (including customised courses)		Cadetship Enrolment			
2023	113	2023	174		
2022	119	2022	142		
New Courses					
Approved by Malaysian Marine Department (MMD)		Standards of Training, Certification and Watchkeeping (STCW) for Seafarers		Non-STCW Courses	
2023	11	2023	4	2023	7
2022	4	2022	4	2022	-

Maritime Education & Training

KEY ACHIEVEMENTS

Milestones

1

Strengthened Educational Offerings

- Achieved high level of acceptance rate for the Faculty of Business and Management (FABM) programmes, with 75 out of the targeted 80 successfully enrolled
- Increased ratings in Sijil Kemahiran Malaysia (SKM) and STCW Dual Certification programme

2

ISO Certification

- Successfully completed ISO 90001:2015 annual audit with no non-conformities
- Attained ISO 37000:2101 Anti-Bribery Management System certification

Awards and Recognitions



MyQUEST 2022

Achieved 'Berdaya Saing' ranking.

Malaysian Society for Occupational Safety and Health (MSOSH)

Received Gold Class 1 Award under the Education sector, specifically in Petroleum, Gas, Petrochemical and Allied industries.

6th Photonics Meeting 2023 Gathering, Conference & Workshop

Received 'The Best Industry Award' for the paper titled 'Single and Dual Optical Microsphere Resonator as Humidity Sensor'.

NAVIGATING THE CHALLENGES IN 2023

Challenges

Mitigation Action

Results

Talent Development

Developing high-performance academic faculty

- Enhanced academic faculty development and continuous learning culture

- 46 academicians enrolled on the Malaysia Qualifications Agency (MQA) programmes
- 59% of academicians with advanced degrees

Embracing changes in Teaching Methods

Enhancing learning experience

- Improved teaching methods and fostered academic-industry collaboration

- Participated in seven conferences to contribute ideas and exchange best practices

MOVING FORWARD

- Elevate ALAM to a University College by 2025
- Enhance partnerships with the global maritime community and academic institutions to solidify our role as a leading source of industry knowledge and best practices
- Foster a culture of research and innovation to stay competitive and contribute to advancements in the education sector




Section 8

CORPORATE
ENABLERS

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People Development



Shariza Mohd Jaffar Sadiq Maricar

Vice President, Human Resource Management

A diverse and inclusive workforce of **10,435 employees** from **46 nationalities**

RM54.9 Million invested in capacity building for employees

Recorded **Zero non-compliance** with labour standards

92.6% high performing talent retention

81% Employee Engagement Score

“ At MISC, we cultivate a workplace anchored on psychological safety, prioritising employee well-being. We conducted mid-year and year-end employee engagement surveys to share valuable insights. This initiative encourages open communication among employees, creating a more inclusive and supportive organisational culture.

With a RM54.9 million investment in continuous learning and development programmes, we customised initiatives to core competencies, instil new skills and cultivate a culture of collaboration, paving the way for innovative solutions that align with our MISC 2030 Aspiration. We identified expertise within the Group and established sprint teams to steer strategic initiatives and deliver seamless implementation including those related to new energy, in order to accomplish our decarbonisation objectives.

Attracting and retaining talent remains a cornerstone of our strategy. The streamlining of our recruitment processes and contingent workforce policy has enabled us to onboard a diverse and skilled workforce. Our comprehensive retention programmes encompass a range of initiatives, including employee engagement activities and events, immediate recognition through special reward and flexible work arrangements.


Moving forward, MISC is well-positioned to shape the future of energy-related maritime solutions, supported by a professional, knowledgeable and dedicated team that will effectively contribute to our long-term, sustainable growth agenda.

”

➞ Read more on pages 141 to 152 in MISC's Sustainability Report 2023.



Operating Safely & Sustainably



Captain Raja Sager Muniandy

Vice President, Group Health, Safety, Security & Environment (GHSSE)

Zero incidences related to major cybersecurity, security and spill events

Recorded **0.09 LTIF** and **0.31 TRCF**

Recorded Proactive **Score of 4.16** through HSSE Culture Maturity Perception Survey, denoting success in building our HSSE Culture

Conducted HSSE Partners Summit 2023 and HSSE recognition day, attended by **235 participants** and more than half of them were represented by our business partners

Rolled-out **MISC Life-Saving Rules** and the **HSSE Rules & Commitment programme** to all employees of the MISC Group

Achieved **24% reduction in GHG emissions** by successfully initiating our GHG projection and emissions pathways, including operational and technological interventions to reduce emissions

“ Addressing climate change and ensuring the safety of our people are important elements of sustainability. The changing weather patterns, a direct consequence of climate change, along with various risks in our operational environment, highlight the critical need for rigorous safety and operational standards. These standards are vital for risk mitigation and incident prevention, reaffirming our firm commitment to maintain a safe operating environment – whether on land, at sea or within our digital realm.

At MISC, we have proactively embarked on a Generative HSSE culture journey, enacting robust measures such as the MISC Life-Saving Rules, comprehensive HSSE culture assessments and the introduction of the Cybersecurity Strategic Plan. These initiatives elevate our HSSE standards and prioritise the well-being of our workforce. They not only fortify our operational foundation but also propel our efforts in decarbonising our operations, transforming our business model and bolstering security in a world where interconnectivity is seamless.

Looking ahead, our focus remains unwavering. As technologies evolve and regulatory standards advance, we reassert our dedication to robust governance, compliance and ethical business practices. This dedication is the cornerstone of our safety-centric initiatives, demanding discipline and ongoing evaluation. These principles are the foundation of our commitment to responsible conduct, fostering a safe and sustainable future for our workforce, while purposefully reducing our environmental impact.

”

➞ Read more on pages 120 to 140 in MISC's Sustainability Report 2023.



Operating Responsibly



Ausmal Kardin
*Vice President,
Legal, Corporate
Secretarial and
Compliance*

Full score for FTSE4Good
Governance for the 5th consecutive year

MISC Berhad and all 5 main subsidiaries
attained **ISO 37001:2016**
Anti-Bribery Management System
Certification

Zero breaches of critical
laws and regulations

Enhanced
5 Critical Legal Areas
Governance documents reflecting
developments in local and international laws

Partnered with the Malaysian Anti-Corruption
Commission (MACC), Malaysia Shipowners'
Association, Ministry of Transport and
Maritime Anti-Corruption Network (MACN)
to host a
**symposium
combating bribery
and corruption**
in the maritime industry

Digital
transformation of contract
management across MISC Group,
optimising operational efficiency

“

At MISC, corporate governance and business ethics form the cornerstone of our structure, defining the essence of our organisational identity. For us, it is not just a regulatory necessity but a pledge demanding the highest standards of transparency, accountability and fairness.

Our pursuit of value creation transcended strategic priorities. Aligned with the MISC Sustainability Strategy and global sustainability standards, we dedicated ourselves to nurturing a culture steeped in robust corporate governance and ethical business practices, permeating every aspect of our daily operations.

This commitment is exemplified by our industry-leading recognitions, including FTSE4Good Bursa Malaysia and ISO 37001:2016 Anti-Bribery Management System Certification. Upholding these standards is facilitated through the implementation of the MISC Group-wide Management Compliance Scorecard and ongoing learning programmes for both our employees and stakeholders.

Recognising the global reach of our operations, we remain steadfast in delivering sustainable value to our stakeholders despite the shifts in the global market and changes in regulatory standards. As a responsible organisation, we diligently strive to ensure the right controls are in place. These measures not only steer us through the complexities of the global landscape but also leave an indelible mark of excellence and responsibility.

Looking forward, we are poised to embrace new opportunities, confident in our ability to contribute to a future defined by sustained success and responsible growth.

➤ Read more on page 169 in MISC's Sustainability Report 2023.



Section 9

FINANCIAL
REVIEW

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Group Financial Review

Group Financial Review

Financial Review

Revenue

Group revenue for the financial year ended 31 December 2023 (FY2023) of RM14,271.7 million was 2.9% higher than the financial year ended 31 December 2022 (FY2022) revenue of RM13,867.0 million, mainly contributed by higher revenue from new and ongoing projects in the Marine & Heavy Engineering segment coupled with improved freight rates in the Petroleum & Product Shipping and Gas Assets & Solutions segments. However, the increase in Group's revenue was offset by lower revenue recognition from the conversion of an FPSO following lower project progress during the year.

Operating profit and profit before taxation

Group operating profit of RM2,881.4 million was 7.1% lower than FY2022 operating profit of RM3,102.0 million, mainly due to operating loss recorded in the Marine & Heavy Engineering segment primarily attributed to the additional cost provisions arising from revised schedule on ongoing projects during the year. However, both Petroleum & Product Shipping and Gas Assets & Solutions segments recorded higher operating profit from higher revenue.

The Group reported a higher profit before taxation of RM2,093.7 million in FY2023, an increase of 11.7% from RM1,874.3 million recorded in FY2022 mainly due to higher share of profit from joint ventures and lower impairment charges compared to the previous year.

Earnings per share (sen)

Profit attributable to the equity holders of the Corporation amounting to RM2,123.5 million translates to earnings per share of 47.6 sen in FY2023 as opposed to 40.8 sen in FY2022.

Dividends

In FY2023, the Board had approved and declared on quarterly basis a total tax exempt dividend of 36.0 sen per share or RM1,606.9 million, which was higher than the total dividend declared and paid in respect of FY2022 of 33.0 sen per share or RM1,473.0 million.

Total assets

Group total assets as at 31 December 2023 of RM65,060.1 million was 3.8% higher than the Group total assets as at 31 December 2022 of RM62,664.2 million. The increase in the Group's total assets were mainly due to higher recognition of contract assets relating to conversion of an FPSO and CAPEX incurred for ships during the year.

Total liabilities

Group total liabilities as at 31 December 2023 of RM25,094.3 million was 3.0% higher than the Group total liabilities as at 31 December 2022 of RM24,360.2 million, mainly due to accruals relating to the additional cost provision for ongoing projects under Marine & Heavy Engineering segment.

Equity attributable to equity holders of the Corporation

Despite paying a higher total dividend of RM1,606.9 million in FY2023, the equity attributable to equity holders of the Corporation as at 31 December 2023 of RM39,285.8 million was 4.9% higher than the equity attributable to equity holders of the Corporation as at 31 December 2022 of RM37,458.7 million, mainly due to net profit recognised for FY2023 and gain on currency translation as the United States Dollar (USD) appreciated against the Malaysian Ringgit (RM) during the year.

Cash flows from operating activities

The Group recorded cash flows from operating activities of RM5,696.3 million which was higher by 87.2% compared to cash flows from operating activities of RM3,042.1 million in the corresponding year. This was contributed by the charter hire prepayments for two FSUs in the Gas Assets & Solutions segment as well as higher charter rates from the Petroleum & Product Shipping segment. Additionally, the Group recorded lower payments for cost relating to MERO 3 Project during the year. Excluding the charter hire prepayments received for two FSUs and payments for costs relating to MERO 3 Project, the Group's adjusted cash flows from operating activities of RM6,536.1 million was higher by RM814.1 million or 14.2% compared to RM5,722.0 million in FY2022. As a result, the Group's cash balance remains healthy at RM7,731.6 million.

Gearing Ratio

The Group's gross debt-to-equity ratio as at 31 December 2023 of 0.44 was lower compared to the Group's gross debt-to-equity ratio as at 31 December 2022 of 0.47 following the decrease in total interest-bearing loans and borrowings during the year. The Group's net debt-to-equity ratio of 0.25 as at 31 December 2023 was also lower compared to net debt-to-equity ratio of 0.28 as at 31 December 2022.

CAPEX requirements

The Group's approved and contracted committed CAPEX as at the end of FY2023 stood at RM2,732.3 million. This excluded the amount committed for the conversion of an FPSO amounting to RM1,112.9 million as at 31 December 2023 as explained in Note 32 of the Financial Statements. Based on our strong cash position as at the end of FY2023 and existing funding facilities, the Group should be able to fund the committed CAPEX and pursue targeted strategic investments.

Segmental Performance

Gas Assets & Solutions	
Gas Assets & Solutions segment's revenue of RM3,263.9 million was RM150.5 million or 4.8% higher than the previous year's revenue of RM3,113.4 million, mainly from higher charter rates in the current year.	
The segment's operating profit of RM1,572.1 million was RM35.5 million or 2.3% higher than the previous year's profit of RM1,536.6 million, mainly from higher revenue as explained above.	
Revenue (RM million)	Operating Profit (RM million)
20233,263.9	20231,572.1
20223,113.4	20221,536.6

Group Financial Review

Petroleum & Product Shipping

The Petroleum & Product Shipping segment’s revenue of RM5,030.2 million was RM362.9 million or 7.8% higher than the previous year’s revenue of RM4,667.3 million mainly from improved freight rates in the current year and full contribution from vessels delivered in previous year.

The segment’s operating profit of RM1,356.6 million was RM335.6 million or 32.9% higher than the previous year’s profit of RM1,021.0 million, mainly from higher revenue as explained above.

Revenue (RM million)



Operating Profit (RM million)

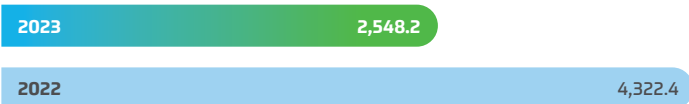


Offshore Business

The Offshore Business segment’s revenue of RM2,548.2 million was RM1,774.1 million or 41.0% lower than the previous year’s revenue of RM4,322.4 million, mainly due to lower recognition of revenue from the conversion of an FPSO following lower project progress in the current year.

The segment’s operating profit of RM652.2 million was comparable to the previous year’s profit of RM665.8 million.

Revenue (RM million)



Operating Profit (RM million)

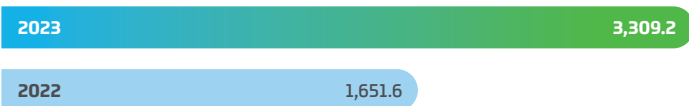


Marine & Heavy Engineering

The Marine & Heavy Engineering segment’s revenue of RM3,309.2 million was RM1,657.6 million or more than 100% higher than the previous year’s revenue of RM1,651.6 million, mainly due to higher revenue from new and ongoing projects for Heavy Engineering sub-segment.

The segment recorded operating loss of RM467.7 million compared to operating profit of RM60.8 million in the previous year mainly due to the additional cost provisions resulting from revised schedule on ongoing heavy engineering projects during the year.

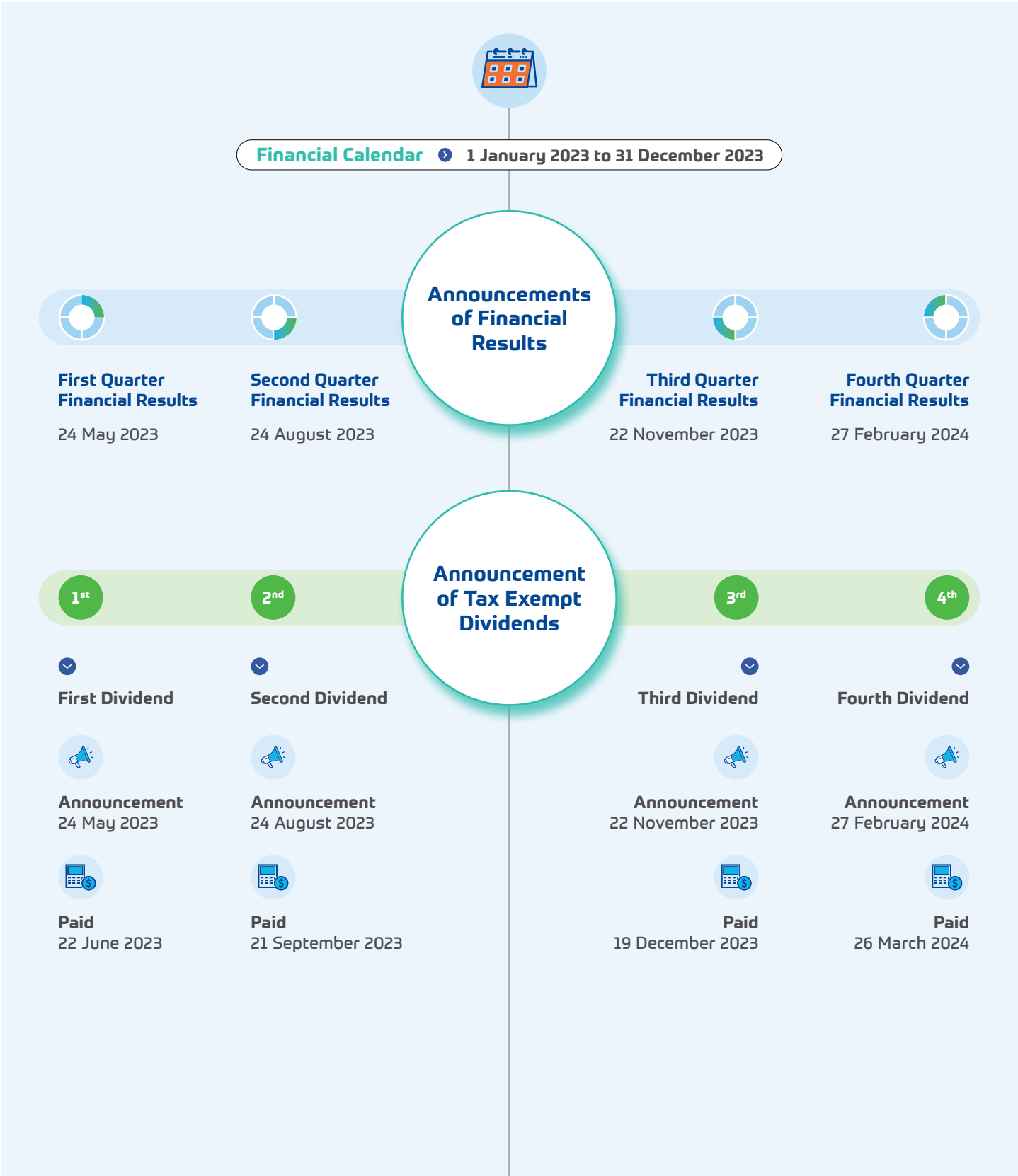
Revenue (RM million)



Operating (Loss)/Profit (RM million)



Financial Calendar



Five-Year Group Financial Performance

	Audited 1.1.2023 to 31.12.2023 RM million	Audited 1.1.2022 to 31.12.2022 RM million	Audited 1.1.2021 to 31.12.2021 RM million	Audited 1.1.2020 to 31.12.2020 RM million	Audited 1.1.2019 to 31.12.2019 RM million
Revenue	14,271.7	13,867.0	10,671.7	9,401.2	8,962.7
Operating profit	2,881.4	3,102.0	1,948.3	2,017.2	1,929.3
Profit/(loss) before taxation	2,093.7	1,874.3	1,774.6	(123.6)	1,512.3
Profit/(loss) after taxation	1,958.9	1,835.0	1,733.5	(169.8)	1,436.3
Profit/(loss) for the year attributable to equity holders of the Corporation	2,123.5	1,822.9	1,831.3	(43.1)	1,426.4
Dividends paid during the year	1,606.9	1,473.0	1,473.0	1,473.0	1,339.1
Earnings/(loss) per share (sen) ⁽¹⁾	47.6	40.8	41.0	(1.0)	32.0
Total assets	65,060.1	62,664.2	57,521.5	51,821.0	51,863.8
Total liabilities	25,094.3	24,360.2	22,596.5	18,669.9	16,110.1
Equity attributable to equity holders of the Corporation	39,285.8	37,458.7	34,162.7	32,272.8	34,727.2
Interest-bearing loans and borrowings	17,545.0	17,861.5	17,029.0	13,440.4	13,152.2
Net tangible assets per share (sen)	874.1	835.7	758.6	724.3	782.1
Gross debt/equity ratio (times)	0.44	0.47	0.49	0.41	0.37
Net debt/equity ratio (times)	0.25	0.28	0.26	0.20	0.17
Interest cover ratio (times) ⁽²⁾	3.50	4.01	5.42	5.79	3.77
Cash flows from operating activities ⁽³⁾	5,696.3	3,042.1	2,908.6	5,587.9	5,579.1

Notes:

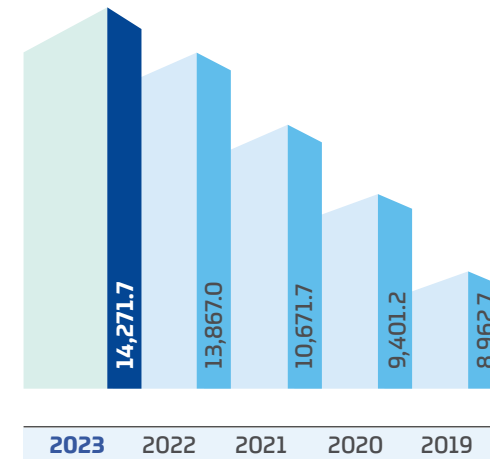
⁽¹⁾ Earnings/(loss) per share has been calculated using the weighted average number of ordinary shares in issue during the financial year.

⁽²⁾ Interest cover ratio is computed as Earnings Before Interest and Taxes (EBIT) divided by total interest expense. EBIT for FY2020 excluded provision for litigation claims and loss on re-measurement of finance lease.

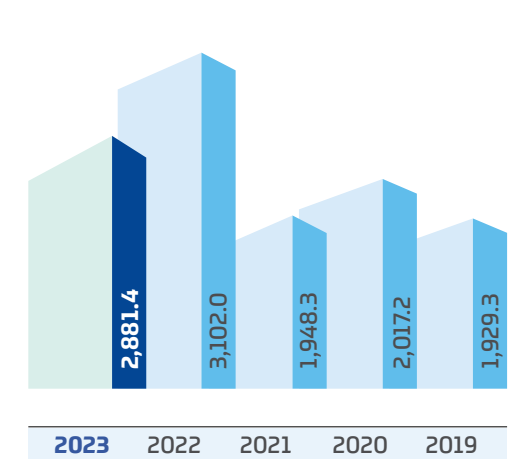
⁽³⁾ The CFO for FY2023, FY2022 and FY2021 included payments for costs relating to the turnkey activities for the conversion of a vessel to an FPSO facility amounting to RM1,822.2 million, RM2,679.9 million and RM1,126.1 million respectively. These payments are disclosed as part of CFO as the turnkey activities contribute to the recognition of contract assets per MFRS 15: Revenue from Contract with Customers. The CFO for FY2019 onwards reflect the reclassification arising from the adoption of MFRS 16: Leases. The CFO for FY2023 included charter hire prepayments for two FSUs of RM982.4 million.

Five-Year Group Financial Performance

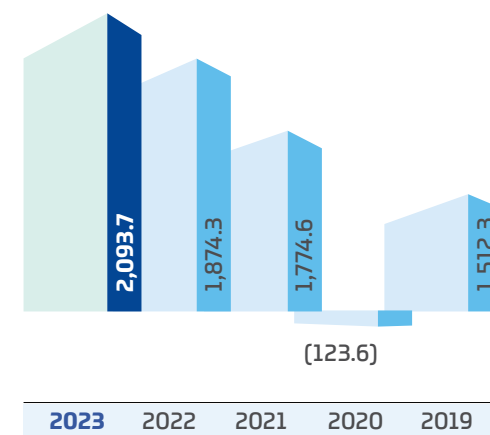
Revenue (RM million)



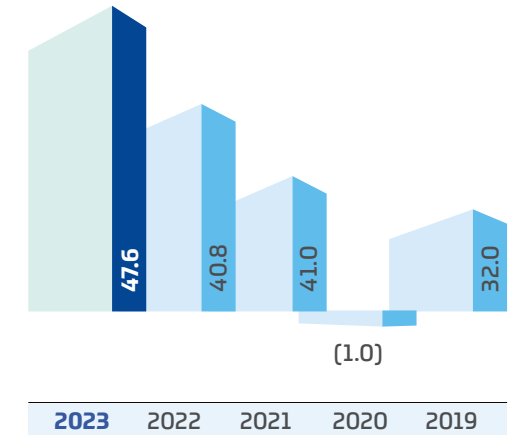
Operating profit (RM million)



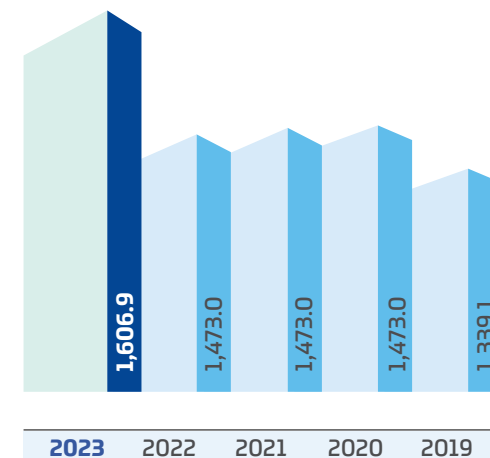
Profit/(loss) before taxation (RM million)



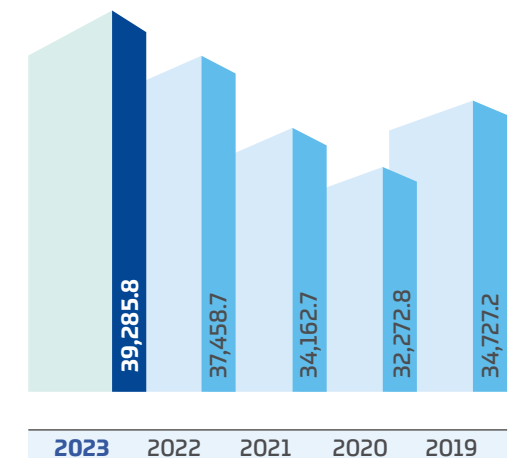
Earnings/(loss) per share (sen)



Dividends paid (RM million)



Equity attributable to equity holders of the Corporation (RM million)

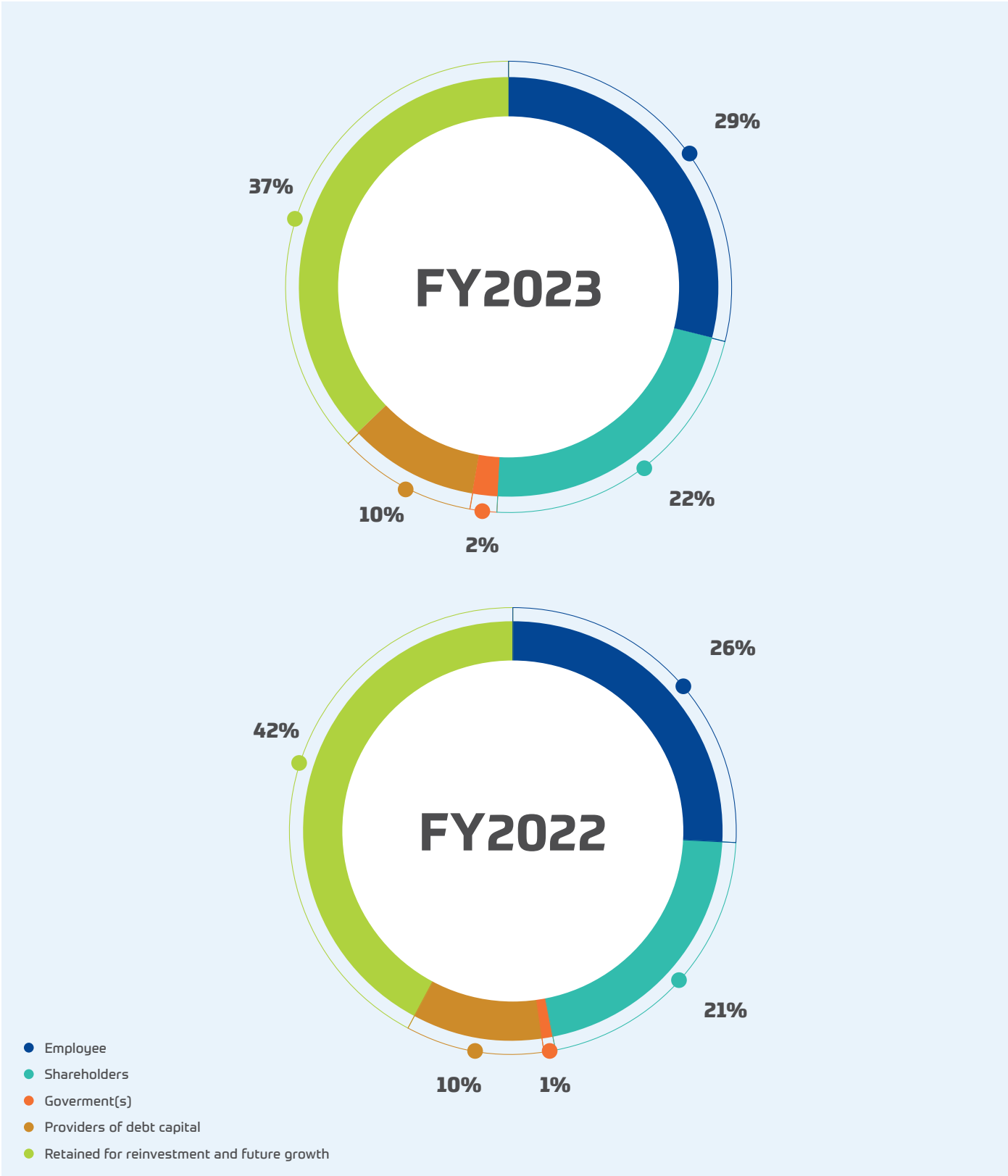


Statement of Value Added & Value Distributed

	FY2023 RM'000	FY2022 RM'000
Statement of Value Added		
Revenue	14,271,657	13,866,972
Purchase of goods and services	(7,823,522)	(7,438,942)
Value added from operations	6,448,135	6,428,030
Other income	390,532	441,732
Finance income	362,775	157,221
Gain on disposal of ships	14,322	15,355
Share of profit of joint venture	114,630	(28,081)
Share of profit of associates	1,041	3,030
Total value added	7,331,435	7,017,287
Distribution of Value Added		
Employee:		
Employment costs	2,148,895	1,847,961
Shareholders:		
Dividends paid to shareholders of the Corporation	1,606,948	1,473,035
Dividends paid to non-controlling interests	8,040	-
Government(s):		
Taxation	140,045	40,854
Providers of debt capital:		
Finance costs	753,602	677,936
Retained for reinvestment and future growth:		
Depreciation, amortisation and impairment	2,358,349	2,643,804
Deferred tax	(5,721)	(1,559)
Retained profit	321,277	335,256
Total value distributed	7,331,435	7,017,287

Statement of Value Added & Value Distributed

Distribution of Value Added



Section 10

ANCHORING SUSTAINABILITY

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Anchoring Sustainability

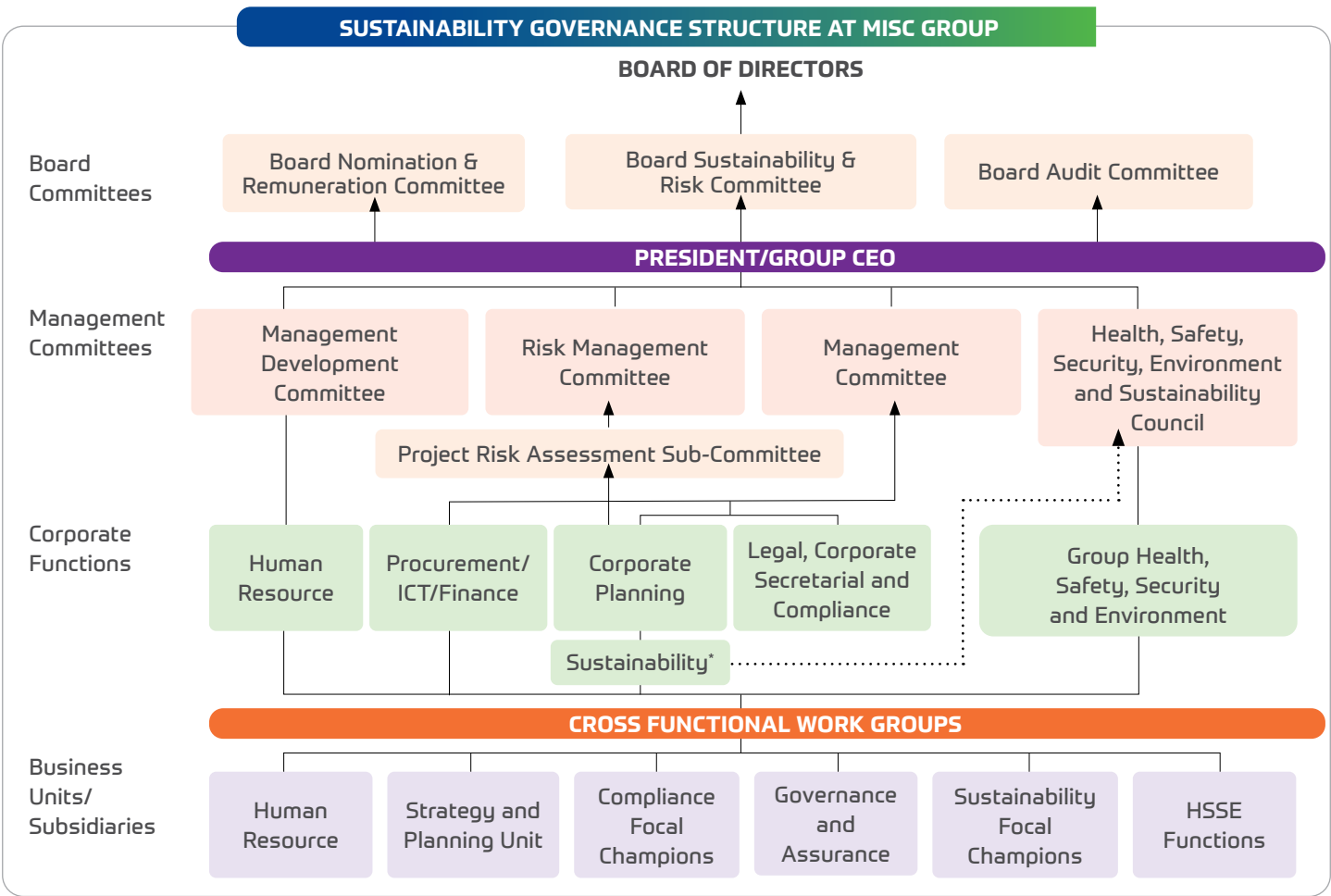
At MISC, sustainability embodies our responsibility towards environmental stewardship and dedication to meeting the needs of society. Guided by MISC’s Sustainability Strategy and our rolling business plan, which is aligned to 11 relevant SDGs, we are constantly refining our strategies with shifting customer requirements, regulatory standards and stakeholder expectations, to achieve our MISC 2050 Vision.

Throughout the year, we continued to integrate sustainability-related KPIs across our businesses, continuously monitoring progress and fostering a culture of sustainability. Our ability to adapt has been instrumental in creating value and this will continue to be critical in meeting our Net-Zero target by 2050. Anchored on our rich history and experience in the maritime industry, we remain focused on realising our business and sustainability goals, recognising this dual commitment as integral components in strengthening our resilience.

SUSTAINABILITY GOVERNANCE

Our sustainability journey relies on a robust governance framework, serving as a foundation for the execution of our Sustainability Strategy and Roadmap. This framework is not merely a corporate commitment but a catalyst for cultivating sustainable business practices and upholding high integrity in MISC. It underscores transparency, accountability and ethical conduct across all facets of our operations. By integrating ESG considerations into decision-making processes, our goal is not only to create enduring value for shareholders and stakeholders alike, but also to recognise the far-reaching impact of our decisions today on the future.

The Board of Directors retains its central role as the highest governing body, providing strategic direction and oversight for the Group’s Sustainability Strategy.



* The Sustainability department will be moved under Corporate Planning effective 1 February 2024.

Anchoring Sustainability

Roles and Responsibilities:

Board of Directors	<ul style="list-style-type: none">Sets the strategic vision for sustainability and aligns goals with the company’s missionOversees sustainability reporting and actively manages ESG risksAdvocates sustainability within the organisation and the broader business communitiesCultivates a culture that values responsible practices and encourages the pursuit of innovative, sustainable solutions
Board Sustainability & Risk Committee (BSRC)	<ul style="list-style-type: none">Regularly assesses sustainability performance by rigorously evaluating metrics, targets and key performance indicators for initiative impactDrives accountability and fosters a culture of continuous improvement in sustainability practices by driving compliance with existing regulations and anticipate emerging sustainability regulationsMitigates risks and capitalise on innovation opportunitiesApproves budgets, investments and resources for implementing sustainable practices across the organisation
Board Audit Committee (BAC)	<ul style="list-style-type: none">Oversees the internal control frameworkReviews Group HSSE Audit and Assurance Bi-Annual Reports, focusing on the efficiency and effectiveness of maintaining the Group’s vessels and floating assetsExamines reports on key strategic and operational risk issues from quarterly Risk Management Committee meetings, including identifying enterprise-level risk appetite and reviewing mitigation plans
Board Nomination & Remuneration Committee (BNRC)	<ul style="list-style-type: none">Conducts performance appraisals on the Company and President/Group CEO, covering financial, strategic initiatives, operations, people development and Health, Safety, Security, Environment and Sustainability (HSSES)Provides recommendations to the Board based on performance against the balanced scorecard for approval
Health, Safety, Security, Environment and Sustainability Council (HSSES Council)	<ul style="list-style-type: none">Oversees all HSSES-related aspects, encompassing group-wide policy, strategy, initiatives, systems, targets, performance and management reviewMeets on a monthly basis and acts as the primary authority for HSSES matters
Management Development Committee (MDC)	<ul style="list-style-type: none">Deliberates on talent performance, career development programmes, succession planning, competency assessments and other people development-related issues
Risk Management Committee (RMC)	<ul style="list-style-type: none">Assesses significant risks and ensures the implementation of appropriate risk management plansExamines adequacy and effectiveness of controls, along with the robustness of mitigation strategiesDeliberates on risk-related matters quarterly and presents findings to the Board
Group Health, Safety, Security and Environment (GHSSE)	<ul style="list-style-type: none">Drives, coordinates and monitors progress on MISC’s sustainability strategic priorities, leveraging cross-functional working groups at the business unit and subsidiary levelsManages external sustainability disclosures and reportingConducts group-wide sustainability materiality assessmentsOversees sustainability-related stakeholder engagementsSupports and advises business units and subsidiaries on implementation of sustainability strategies, monitoring performance and disclosures
Sustainability Custodians/Focal Champions	<ul style="list-style-type: none">Ensures implementation of identified sustainability initiatives

➞ For more information, please refer to the Sustainability Governance section on pages 30 to 32 in MISC’s 2023 Sustainability Report.

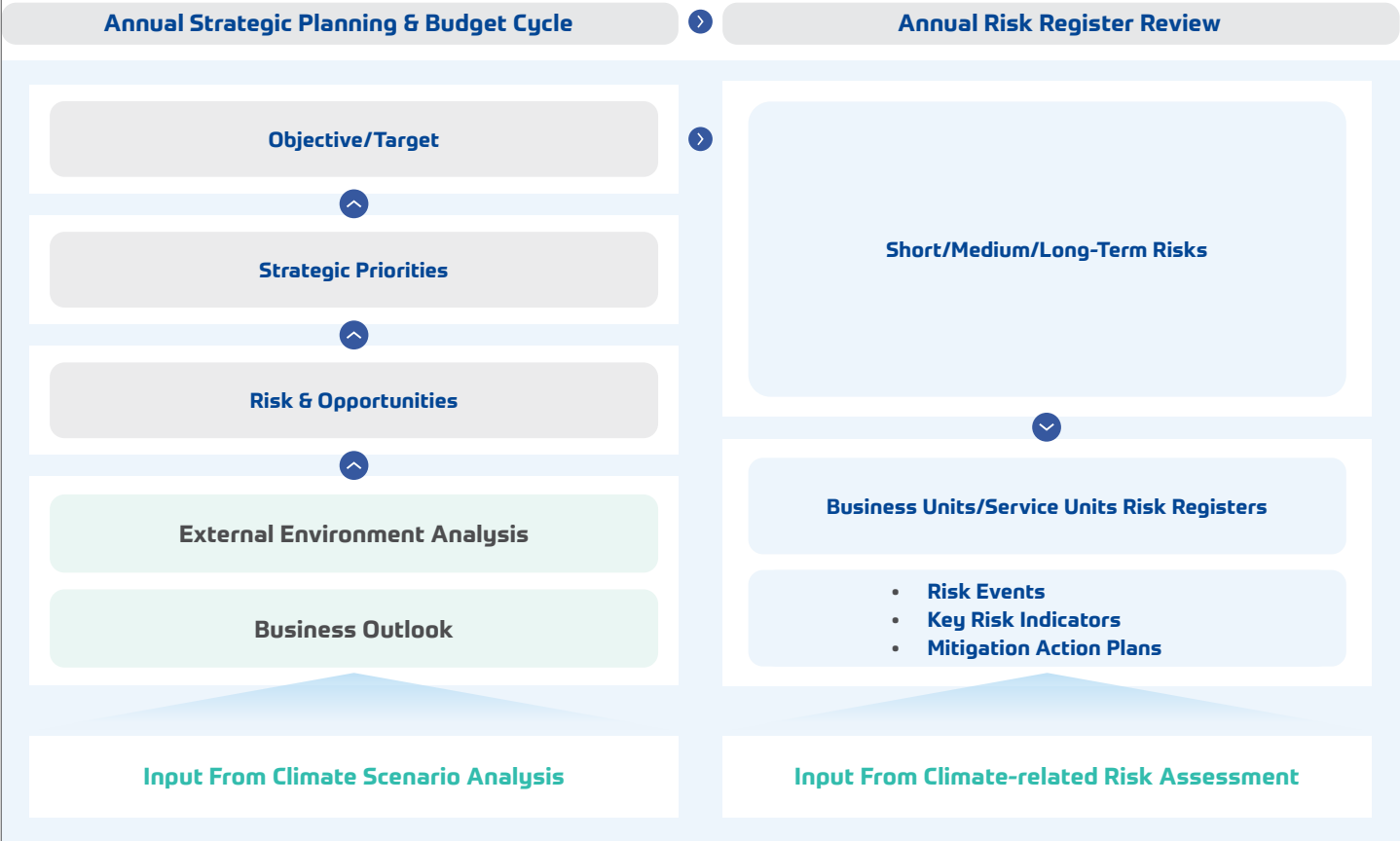
Anchoring Sustainability

ESG RISK MANAGEMENT



Based on our Sustainability Strategy, we employ risk management processes to evaluate and fortify our resilience against the impacts of climate change. This process integrates the identification, assessment and management of climate-related risks within MISC through a comprehensive approach. It systematically identifies risks across the organisation, gathering insights from business units and functions.

Within MISC Group, climate risk evaluation is seamlessly woven into its strategic planning and business processes, aligning with the ERM framework. We ensured a Project Risk Assessment (PRA) is systematically conducted before any new capital-intensive project commences. This meticulous assessment plays a key role in identifying potential risks associated with the project, enabling the implementation of effective controls and measures to mitigate these risks.

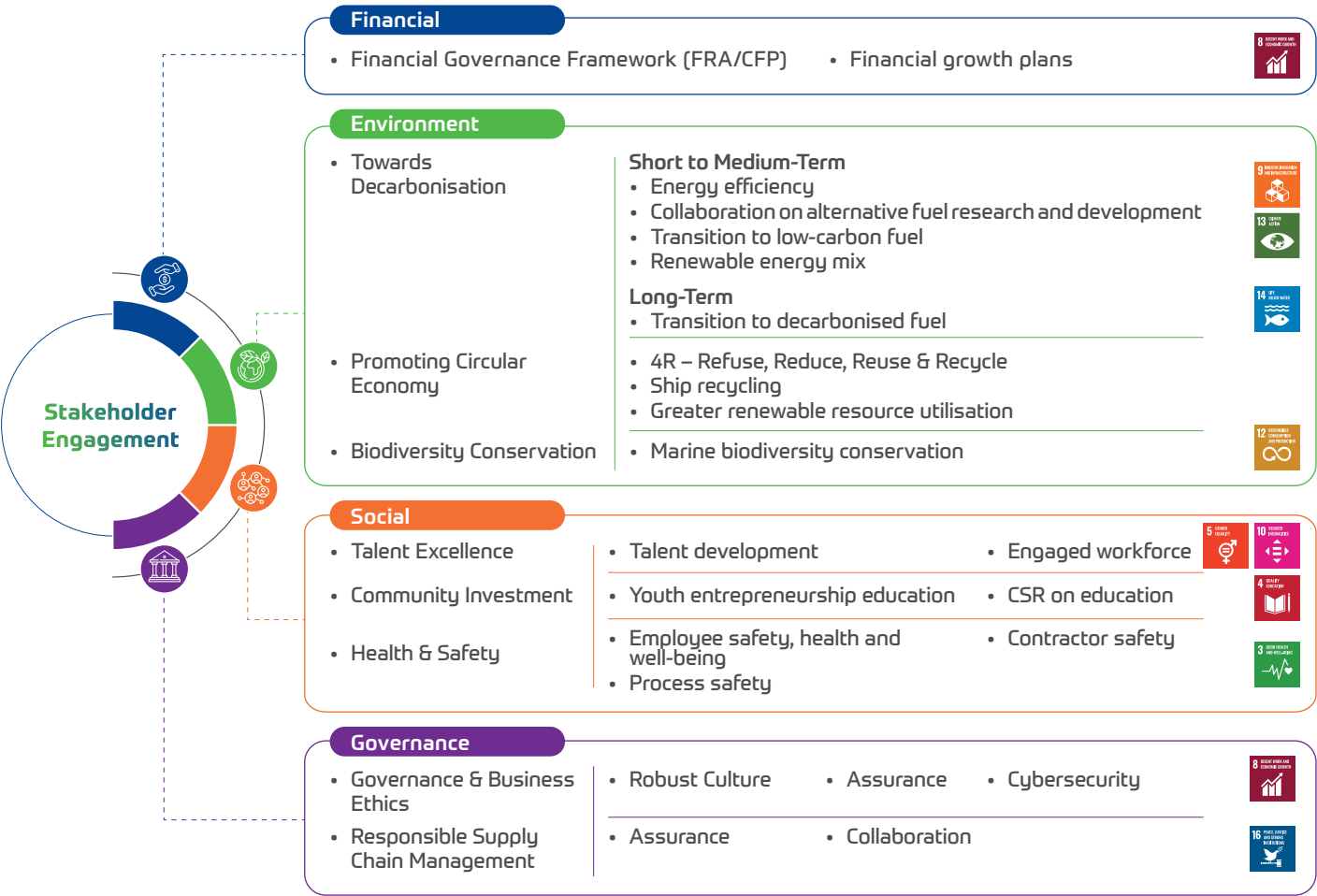


For more information, please refer to MISC's 2023 Climate-Related Financial Disclosures Report and Climate-Related Financial Disclosures section on pages 73 to 81 in MISC's 2023 Sustainability Report.

Anchoring Sustainability

SUSTAINABILITY STRATEGY AND ITS KEY PROGRESS IN 2023

MISC's strategy underlines the Group's focus and commitment to sustainability and climate change. We are guided by our Sustainability Strategy, which is aligned with the SDGs. Out of the 17 SDGs, MISC has prioritised 11 SDGs which are relevant to our business operations.
































In driving this forward, this strategy was created based on stakeholder feedback on our material matters, in consultation with employees and senior management from across our subsidiaries and business units. This strategy addresses 10 strategic priorities which are grouped into four key pillars – Financial, Environmental, Social and Governance, underpinned by Stakeholder Engagement.

Anchoring Sustainability

Anchoring Sustainability

Key Progress in 2023:












Sustainability Pillar	Achievements	Material Matter	SDGs
Financial	<ul style="list-style-type: none">Revenue: RM14.3 billionOperating Profit: RM2.9 billionCFO*: RM6.5 billionReceived delivery of two LNGCs, <i>Seri Damai</i> and <i>Seri Daya</i> for SRMDelivered two VLCC tankers powered by dual-fuel LNG engines, <i>Eagle Vellore</i> and <i>Eagle Ventura</i> to Shell. A third LNG dual-fuel VLCC was delivered in early 2024.Unveiled the design of a future ready NBFPSO unit which uses the Mega-Module topsides and incorporated sustainable technologies into the design	 Financial Performance	 
Environment	<p>Towards Decarbonisation</p> <ul style="list-style-type: none">Facilitated workshops and a panel discussion among the Castor Initiative members to discuss current regulations and guidelines, challenges and detailed concepts of the ammonia storage and fuel pre-treatment systemsAchieved 24% reduction in our fleet average GHG intensity compared with 2008Recorded 7.10 million tonnes in total GHG emissions <p>Promoting Circular Economy</p> <ul style="list-style-type: none">Conducted four Ship Recycling Yard audits in TurkeyRecycled almost 100% of hazardous waste generated from shore operations <p>Biodiversity Conservation</p> <ul style="list-style-type: none">Surveyed 36 coral reef sitesRehabilitated three coral sites77% turtle nest hatching success rateConserved 1,916 turtle nests since 2020Collected 10,011 kg of trash since 2020	    Climate Change Energy Management Ocean Health Waste Management	  
Social	<p>Health and Safety</p> <ul style="list-style-type: none">Attained a score of 4.16 in the MISC HSSE Culture Maturity SurveyAchieved 28 million man-hours without LT1 for the MERO 3 Project102,342 UCAs raised <p>Talent Excellence</p> <ul style="list-style-type: none">Achieved 81% in PETRONAS Organisational Cultural SurveyRecorded 92.6% high-performing talent retentionInvested RM33.1 million in training and development programmes for seafarersPromoted two female officers to captainsAccepted the first two female pilots and introduced the first female OVID Inspector <p>Community Investment</p> <ul style="list-style-type: none">Provided cadet sponsorship for 829 students at ALAM with an investment of RM29.6 millionAwarded maritime scholarships to nine new students in collaboration with Texas A&M Foundation, MaritimeONE and Newcastle University	     Health and Safety Security Talent Development and Retention Diversity and Inclusion Community Investment	    
Governance	<p>Values, Assurance and Business Ethics</p> <ul style="list-style-type: none">40% female Board membersAttained ISO 37001: 2016 Anti-Bribery Management System (ABMS) certification for ALAMTrained 2,801 employees in human rights mattersRecorded zero major cybersecurity incidents and data breaches <p>Responsible Supply Chain</p> <ul style="list-style-type: none">Rolled out the Sustainable Procurement StatementCompleted supply chain ESG self-assessment for 55% of critical suppliers	     Values, Governance and Business Ethics Talent Development and Retention Digitalisation Cybersecurity Sustainable Supply Chain	   

* This refers to the adjusted CFO which excludes the payment for costs relating to turnkey activities for MERO 3 Project and the one-off FSU prepayments in 2023.

➞ For more information, please refer to Our Sustainability Voyages on pages 22 to 27 in MISC's 2023 Sustainability Report

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Over the past year, we have successfully accomplished and made significant contributions towards the our 11 prioritised SDGs.

Prioritised SDGs	Achievements and Contributions
	<ul style="list-style-type: none">Achieved 4.16 for the MISC HSSE culture maturity surveyRecorded 0.09 and 0.31 in Lost Time Injury Frequency (LTIF) and Total Recordable Case Frequency (TRCF), respectivelyRecorded 0.15 and 0.46 for LTIF and TRCF for contractor safety performance, respectively1,442 employees participated in Health Passport programmes
	<ul style="list-style-type: none">Provided RM29.6 million in cadet sponsorship for 829 students136 companies, out of which 44 were critical suppliers attended annual CoBE training for third-parties
	<ul style="list-style-type: none">Employed 72 females across our fleetAccepted the first two female pilots and introduced the first female OVID Inspector
	<ul style="list-style-type: none">Structured sustainability-linked loan with KPIs aligned with GHG and governance KPIsProvided over 10,000 job opportunities to individuals from over 40 nationalitiesRecorded zero non-compliances related to economic sanctions, data privacy and customer data privacy
	<ul style="list-style-type: none">As part of our transition plan to Net-Zero emissions, we initiated research on 77 technological solutions for our petroleum and gas fleet by Marine Services, where out of the 35 technologies under review, 12 are novel or newAchieved recycling rate of 99.9% for hazardous waste and non-hazardous waste stood at 3%100% of wooden pallets generated by AET Offshore operations are reused or recycled
	<ul style="list-style-type: none">6,672 shore employees attended training programmes
	<ul style="list-style-type: none">Installed SOL-X system on 72% of vessels to reduce paper consumption and increased the effectiveness of our permit-to-work tracking and disclosure
	<ul style="list-style-type: none">Replaced 85.6% conventional lights on MHB's premises with LED lightsInstalled 260 solar panels at MHB's Centre of Excellence, with an estimated annual generation of 141.5 MWh of clean energyConducted comprehensive materiality assessment for scope 3 emissions
	<ul style="list-style-type: none">90 employees participated in four separate Employee Participation Programmes (EPP) under the Heart of The Ocean ProgrammeEngaged with 13 island families for community host assessmentSix reef rehab structures deployed140 participated in the MHB River Rehabilitation Programme, collecting 2,271 waste items
	<ul style="list-style-type: none">Identified 229 potential bribery and corruption risks:<ul style="list-style-type: none">Developed 16 bribery and corruption risk clustersEstablished 76 mitigation measures100% of MISC Berhad's employees completed Annual Conflict Of Interest disclosure
	<ul style="list-style-type: none">Rolled out ESG Self-Assessment Framework to 55% critical suppliersHeld two sustainability sharing sessions with institutional shareholders and analysts

➞ For more information, please refer to MISC's 2023 Sustainability Report

Anchoring Sustainability

MEMBERSHIPS AND ASSOCIATIONS

As a leading provider of international energy-related maritime solutions and services, MISC Group is at the forefront of shaping the future of the industry. We actively participate in pivotal industry discussions, leveraging our expertise and experience to contribute innovative solutions alongside other industry leaders. Our commitment extends to fostering a deeper understanding and implementation of sustainable practices through active engagement with a diverse range of stakeholders. We are members of industry associations where we play a proactive role in various industry forums, conferences, events and partnerships.

Climate-Related Trade Associations and Principle/Charter

Principles/Charters	Description	Our Position
Call to Action	A multi-stakeholder task force by the Getting to Zero Coalition, comprising members from the entire maritime ecosystem.	Signatory to the Call to Action for shipping decarbonisation.
Carbon Disclosure Project (CDP)	A not-for-profit organisation that oversees the global disclosure system used by investors, businesses, cities, states and regions to effectively manage their environmental impacts.	Disclose our carbon management strategies, policies and procedures to CDP on an annual basis.
Getting to Zero Coalition	A partnership between the Global Maritime Forum (GMF), Friends of Ocean Action and the World Economic Forum in developing zero-emission vessels by 2030 and furthering international shipping's decarbonisation in line with the IMO's aspirations.	Collaborate with maritime partners to jointly develop an ammonia-fuelled tanker that supports the shipping industry's drive for a decarbonised future.

Other Trade Associations and Memberships

Membership	Description	Our Position
Maritime Anti-Corruption Network (MACN)	A global business network that advocates a corruption-free maritime industry, promoting fair trade for greater societal good.	Align our contributions to MACN with the SDGs, particularly Goal 16 (Peace, Justice and Strong Institutions) and 17 (Partnership for Goals).

➞ For more information, please refer to the List of Associations and Principles on page 55 in MISC's 2023 Sustainability Report.

Anchoring Sustainability

CLIMATE-RELATED FINANCIAL DISCLOSURES

MISC's climate-related financial disclosures aim to describe the impact of climate change on our operations, outlining the strategy for mitigation and resilience.

Section	Description	Reference
Governance	<ul style="list-style-type: none">Established an effective governance structure, led by the Board and supporting committees, to provide oversight, evaluate and manage climate-related matters and their associated risks and opportunitiesDisclosed the frequency of Board meetings per year to discuss and deliberate on sustainability and climate-related issues	Sustainability Report (please refer to page 73)
Strategy	<ul style="list-style-type: none">Ensured alignment with IMO's decarbonisation goals, targeting a 50% reduction in GHG intensity by 2030 and Net-Zero GHG emissions by 2050. This commitment extends across our value chainEstablished approach involving short to medium-term growth through our business plans, prioritising business demands and actively addressing climate change risksIdentified Time Horizons:<ul style="list-style-type: none">Established short, medium and long-term time horizons, aligned with regular business planning cycles, with asset lifespan and business impact evaluation taken into considerationEnsured short planning cycles mirrored industry changes, enabling prompt adaptation to evolving needsDisclosed strategic plans to manage climate-related risks and opportunities	Sustainability Report (please refer to pages 74 to 79)
Risk Management	<ul style="list-style-type: none">Identified nine significant climate-related physical and transition risks and opportunities based on driving forcesCategorised climate-related risks and opportunities systematically, emphasising those with high importance based on their impact, significance and stakeholder interestMaterial risks and opportunities identified will be integrated into our strategic priorities within our business plan	Sustainability Report (please refer to page 80)
Metrics and Targets	<ul style="list-style-type: none">Identified performance indicators and benchmarks to manage climate-related risks and opportunities:<ul style="list-style-type: none">Medium-term target: 50% reduction in GHG intensity (for shipping operations) by 2030Long-term target: Net-Zero GHG emissions by 2050	Sustainability Report (please refer to page 81)

➞ For more information, please refer to the MISC's 2023 Climate-Related Financial Disclosures Report and Climate-Related Financial Disclosures section on pages 73 to 81 in MISC's 2023 Sustainability Report.

Bursa Malaysia Common Sustainability Matters and Indicators

Indicator	Measurement Unit	2021	2022	2023
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	-	100.00	100.00
Executive	Percentage	-	100.00	100.00
Non-executive	Percentage	-	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	6.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	-	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	-	29,600,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	829
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management 30 and below	Percentage	No Data Provided	No Data Provided	0.28
Management Between 31-50	Percentage	No Data Provided	No Data Provided	74.26
Management Above 50	Percentage	No Data Provided	No Data Provided	25.46
Executive 30 and below	Percentage	No Data Provided	No Data Provided	25.71
Executive Between 31-50	Percentage	No Data Provided	No Data Provided	66.70
Executive Above 50	Percentage	No Data Provided	No Data Provided	7.59
Non-executive 30 and below	Percentage	No Data Provided	No Data Provided	38.19
Non-executive Between 31-50	Percentage	No Data Provided	No Data Provided	50.48
Non-executive Above 50	Percentage	No Data Provided	No Data Provided	11.32
Gender Group by Employee Category				
Management Male	Percentage	77.10	76.00	75.28
Management Female	Percentage	22.90	24.00	24.72
Executive Male	Percentage	84.80	84.50	82.19
Executive Female	Percentage	15.20	15.50	17.81
Non-executive Male	Percentage	91.30	90.20	89.27
Non-executive Female	Percentage	8.70	9.80	10.73
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	-	-	60.00
Female	Percentage	-	-	40.00
30 and below	Percentage	-	-	0.00
Between 31-50	Percentage	-	-	0.00
Above 50	Percentage	-	-	100.00

Internal assurance External assurance No assurance

(*)Restated

Bursa Malaysia Common Sustainability Matters and Indicators

Indicator	Measurement Unit	2021	2022	2023
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	16,842,316.90	17,109,583.31	16,634,887.44
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	3
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.15	0.08	0.09
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	6,361
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	-	-	87,372
Executive	Hours	-	-	70,919
Non-executive	Hours	-	-	64,666
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	70.20	70.90	73.59
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	-	-	153
Executive	Number	-	-	284
Non-executive	Number	-	-	461
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	-	60.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	315.150000	313.390000	308.930000

Note:

- ¹ This performance table is generated from the Bursa ESG reporting platform and has not been edited in any way.
² Hyphens and “No Data Provided” refer to data previously undisclosed which MISC started tracking in 2023.

Internal assurance External assurance No assurance

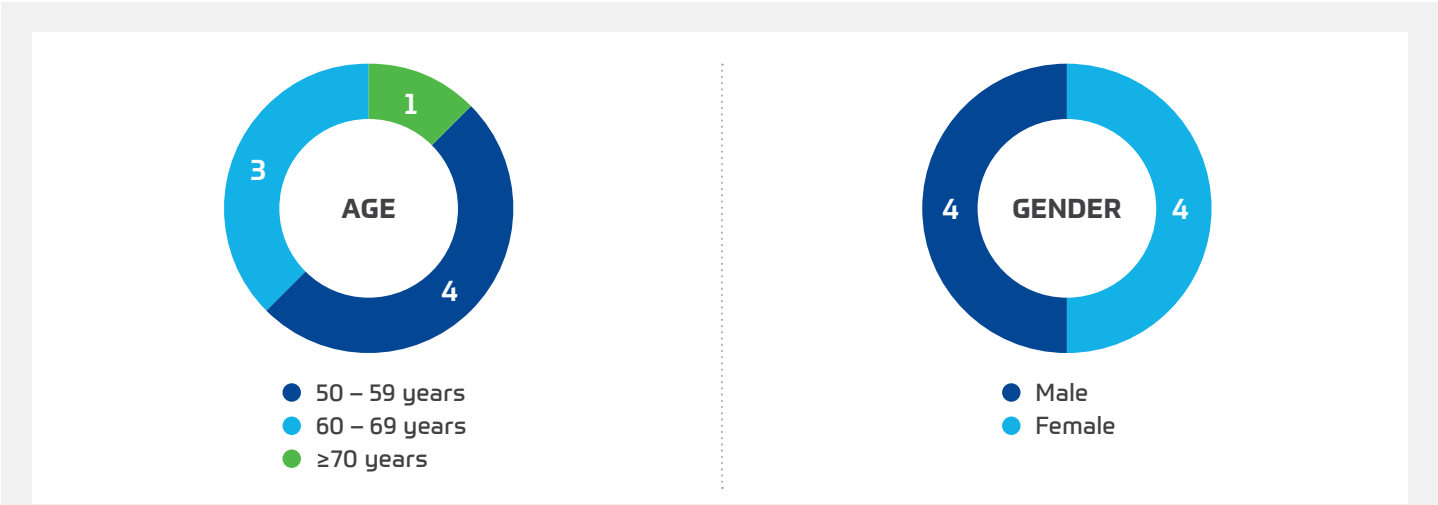
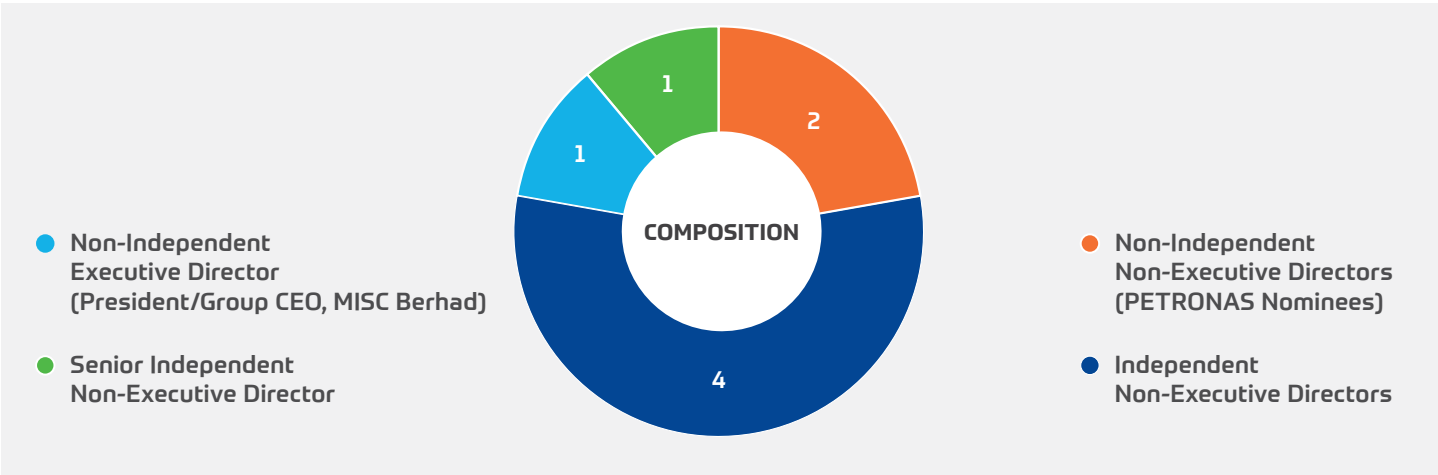
(*)Restated

Section 11

LEADERSHIP

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Our Board at a Glance



BOARD SKILLS MATRIX		INDUSTRY EXPERIENCE MATRIX	
	No. of Director		No. of Director
Finance & Audit	6	Oil & Gas	4
Economics	1	Finance & Audit	2
Risk Management	8	Banking/Investment Banking	2
Corporate Planning	8	Shipping	1
Marketing	3	Consulting	2
Operations	5	Telecommunication	1
Corporate Governance	8	Postal	1
Human Resource	3	FMCG	1
Information Technology	2	Social Security	1
Legal & Regulatory	1	IT Services	1
ESG	3		
Strategic Communications	1		

Our Board of Directors



DATUK ABU HURAIRA ABU YAZID
Chairman,
Independent Non-Executive Director



CAPTAIN RAJALINGAM SUBRAMANIAM
President/Group CEO, MISC Berhad
Non-Independent Executive Director



CHEW LIONG KIM
Senior Independent
Non-Executive Director



DATIN NORAZAH MOHAMED RAZALI
Independent
Non-Executive Director



DATO' TENGKU MARINA TUNKU ANNUAR
Independent
Non-Executive Director



MOHAMMAD SUHAIMI MOHD YASIN
Independent
Non-Executive Director



LIZA MUSTAPHA
Non-Independent
Non-Executive Director



WAN SHAMILAH WAN MUHAMMAD SAIDI
Non-Independent
Non-Executive Director

Profiles of the Board of Directors

DATUK ABU HURAIRA
ABU YAZID

Chairman, Independent
Non-Executive Director

Nationality:

Gender:

Age:



Date of Appointment

- 9 October 2020 as Independent Non-Executive Director
- 1 January 2021 as Chairman, Independent Non-Executive Director

Length of Service (as at 1 March 2024)

- 3 years 4 months

Number of Board Meetings Attended in 2023

- 10/10

Academic/Professional Qualifications

- Bachelor of Economics (Business Administration), University of Malaya

Present Directorships

Listed issuer:

- MISC Berhad

Other public company:

- Pembangunan Sumber Manusia Berhad

Present Appointments

- Chairman, MISC Berhad
- Chairman, Pusat Rehab PERKESO Sdn. Bhd.
- Chairman, Malaysian Maritime Academy Sdn. Bhd.
- Chairman, Pembangunan Sumber Manusia Berhad

Past Experience

- Independent Non-Executive Director, United Overseas Bank (M) Bhd (UOB Bank)
- Chairman, Board Risk Management Committee, UOB Bank
- Chairman, Board Remuneration Committee, UOB Bank
- Member, Board Audit Committee, UOB Bank
- Member, Board Nomination Committee, UOB Bank
- Chairman, Social Security Organisation (SOCSO)
- Chairman, Investment Panel, SOCSO
- Chairman, Board Committees, SOCSO
- Executive Director, Pos Malaysia Berhad
- Chief Executive Officer, National Savings Bank
- General Manager, Public Bank Berhad
- Vice-President, Citibank Berhad
- Vice-President, Chase Manhattan (now known as JP Morgan Chase)
- Head of Maybank card business, Maybank

CAPTAIN RAJALINGAM
SUBRAMANIAM

President/Group CEO, MISC Berhad
Non-Independent Executive Director

Nationality:

Gender:

Age:



Date of Appointment

- 1 October 2022

Length of Service (as at 1 March 2024)

- 1 year 5 months

Number of Board Meetings Attended in 2023

- 10/10

Academic/Professional Qualifications

- Master of Business Administration, Universiti Utara Malaysia
- Master (Foreign Going) Certificate of Competency, Ministry of Transport Malaysia
- Professional Maritime Training, Akademi Laut Malaysia (ALAM)
- Executive Education in Finance, INSEAD Fontainebleau
- International Corporate Governance/Directors, INSEAD Fontainebleau

Industry Recognitions

- TradeWinds Top 10 Green Power List Leaders
- Lloyd's List Top 100 People in Shipping
- Honorary Fellowship, Association of Malaysia's Maritime Professionals (IKMAL)
- National Seafarers Icon 2017 from the Malaysia Marine Department

Present Directorships

Listed issuer:

- MISC Berhad
- Malaysia Marine and Heavy Engineering Holdings Berhad

Other public company:

- NIL

Present Appointments

- Chairman and Board Member, various subsidiaries within the MISC Group
- Board Member, GARD P&I
- Election and Governance Committee Member, GARD P&I
- Executive Committee Member, INTERTANKO
- Chair, various class committees
- Honorary Commander, Royal Malaysian Navy Reservist Programme

Past Experience

- Chief Operating Officer, MISC Berhad
- President & CEO, AET Tanker Holdings Sdn. Bhd.
- Vice President, Fleet Management Services, MISC Berhad
- Group Vice President, AET Shipmanagement

Profiles of the Board of Directors

DATIN NORAZAH
MOHAMED RAZALI

Independent
Non-Executive Director

Nationality:

Gender:

Age:



Date of Appointment

- 9 October 2020

Length of Service (as at 1 March 2024)

- 3 years 4 months

Number of Board Meetings Attended in 2023

- 10/10

Academic/Professional Qualifications

- Master of Business Administration, Imperial College Business School, University of London, UK
- Diploma in Management, Imperial College, University of London, UK
- Bachelor of Laws (Honours) (Syariah and Common Law), International Islamic University Malaysia

Present Directorships

Listed issuer:

- MISC Berhad
- Sime Darby Property Berhad

Other public company:

- Permodalan Nasional Berhad

Present Appointments

- Chairperson, Board Sustainability and Risk Committee, MISC Berhad
- Member, Board Nomination & Remuneration Committee, MISC Berhad
- Independent Non-Executive Director, Sime Darby Property Berhad
- Chairman, Nomination and Remuneration Committee, Sime Darby Property Berhad
- Member, Audit Committee, Sime Darby Property Berhad
- Independent Non-Executive Director, Permodalan Nasional Berhad
- Member, Board Nomination & Remuneration Committee, Permodalan Nasional Berhad
- Member, Board Risk Committee, Permodalan Nasional Berhad
- Independent Non-Executive Director, Cradle Fund Sdn. Bhd.
- Chairperson, Nomination and Remuneration Committee, Cradle Fund Sdn. Bhd.
- Member, Investment Panel, Penjana Kapital Sdn. Bhd.

Past Experience

- Senior Advisor (Public Sector Practice), The Boston Consulting Group (BCG)
- Partner and Managing Director, Member of BCG SE Asia Executive Leadership, BCG
- Head of BCG Malaysia, BCG
- Principal, BCG
- Project Manager & Consultant, BCG
- Consultant, Booz, Allen & Hamilton, Singapore
- Solicitor, M/s Sidek, Teoh, Wong & Dennis, Advocates & Solicitors, Malaysia

Profiles of the Board of Directors

DATO’ TENGKU MARINA TUNKU ANNUAR

Independent Non-Executive Director

Nationality:

Gender:

Age:



Date of Appointment
• 1 January 2022

Length of Service (as at 1 March 2024)
• 2 years 2 months

Number of Board Meetings Attended in 2023
• 10/10

Academic/Professional Qualifications

- Global Health Diplomacy Executive Course, The Graduate Institute, Geneva
- Executive Certificate, Advocacy in International Affairs, The Graduate Institute, Geneva
- Nestle Leadership Programme, London Business School, United Kingdom
- Rewiring Leadership for High Impact, University of Cambridge Institute of Sustainability Leadership
- Sustainability Leadership Lab, University of Cambridge Institute of Sustainability Leadership
- Business Sustainability Management Course, University of Cambridge Institute of Sustainability Leadership
- Bachelor of Arts in International Relations, London University, United Kingdom

Present Directorships

- Listed issuer:
- MISC Berhad
 - S P Setia Berhad
 - Westports Holdings Berhad

Other public company:
• NIL

Present Appointments

- Chairperson, Board Nomination & Remuneration Committee, MISC Berhad
- Member, Board Sustainability and Risk Committee, MISC Berhad
- Council Member, Climate Governance Malaysia

Past Experience

- Asia-Pacific Region Head, Corporate Regulatory & Scientific Affairs, Nestle S.A.
- Global Public Affairs Lead, Nestle S.A.
- Group Director, Corporate Affairs, Communications and Wellness, Nestle (Malaysia) Berhad
- Corporate Communications Manager, Nestle (Malaysia) Berhad
- Public Relations & Communications Manager in Hospitality Industry
- Public Relations Officer in Malaysia Airlines, United Kingdom Office

MOHAMMAD SUHAIMI MOHD YASIN

Independent Non-Executive Director

Nationality:

Gender:

Age:



Date of Appointment
• 9 October 2020

Length of Service (as at 1 March 2024)
• 3 years 4 months

Number of Board Meetings Attended in 2023
• 10/10

Academic/Professional Qualifications

- Master of Business Administration, Saint Louis University, USA
- Bachelor of Science (Accounting), Indiana State University, USA
- Diploma in Accountancy, Mara Institute of Technology, Malaysia

Present Directorships

- Listed issuer:
- MISC Berhad
 - Malaysia Marine and Heavy Engineering Holdings Berhad

Other public company:
• NIL

Present Appointments

- Member, Board Audit Committee, MISC Berhad
- Member, Board Sustainability and Risk Committee, MISC Berhad
- Chairman, Malaysia Marine and Heavy Engineering Holdings Berhad
- Advisor, SC Tubular Solutions Malaysia Sdn. Bhd.

Past Experience

- Independent Non-Executive Director, Alam Maritim Resources Berhad
- Chairman, Risk Management Committee, Alam Maritim Resources Berhad
- Member, Audit Committee, Alam Maritim Resources Berhad
- Member, Nomination and Remuneration Committee, Alam Maritim Resources Berhad
- Senior General Manager, Project Procurement Management Department, Technology & Engineering Division, PETRONAS
- Senior General Manager, Corporate Services, PETRONAS Carigali Sdn. Bhd.
- Senior General Manager, Group Supply Chain Management Department, PETRONAS
- Senior General Manager, Group Tenders & Contracts Division, PETRONAS
- General Manager, Commercial Division, Malaysia LNG Sdn. Bhd.
- Managing Director/CEO, MITCO Japan Sdn. Bhd. & PETRONAS Country Manager, Yokohama, Japan
- Executive Assistant to President, PETRONAS
- Deputy General Manager, Commercial, Malaysia LNG Tiga Sdn. Bhd.
- Manager, Finance & Services, Malaysia LNG Dua Sdn. Bhd.
- Section Head, Gas Accounting Section, Gas Processing Plant, PETRONAS Gas Sdn. Bhd.

Profiles of the Board of Directors

WAN SHAMILAH WAN MUHAMMAD SAIDI

Non-Independent Non-Executive Director

Nationality:

Gender:

Age:



Date of Appointment
• 1 June 2022

Length of Service (as at 1 March 2024)
• 1 year 9 months

Number of Board Meetings Attended in 2023
• 10/10

Academic/Professional Qualifications

- Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW)
- Member of Malaysian Institute of Accountants (MIA)
- Bachelor of Science in Economics and Accounting, University of Bristol, UK
- Advance Management Program, Harvard Business School, USA
- Sustainable Finance, Cambridge Institute for Sustainability Leadership

Present Directorships

- Listed issuer:
- MISC Berhad

Other public company:
• Several subsidiaries within PETRONAS Group

Present Appointments

- Member, Board Audit Committee, MISC Berhad
- Member, Board Nomination & Remuneration Committee, MISC Berhad
- Senior General Manager, Group Corporate Finance, PETRONAS

Past Experience

- Chief Digital Officer, Group Digital, PETRONAS
- Senior General Manager, Corporate Strategic Planning, PETRONAS
- Chief Financial Officer, PETRONAS Chemicals Group Berhad
- Senior General Manager, Crude Oil Group, PETRONAS
- General Manager Finance, Malaysia LNG Sdn Bhd
- General Manager Finance, PETRONAS Gas Berhad
- Manager, Mergers & Acquisitions, Corporate Planning & Development Division, PETRONAS
- Senior Executive, Corporate Finance, PETRONAS
- Audit Supervisor, Morison Stoneham Chartered Accountants

LIZA MUSTAPHA

Non-Independent Non-Executive Director

Nationality:

Gender:

Age:



Date of Appointment
• 1 July 2017

Length of Service (as at 1 March 2024)
• 6 years 8 months

Number of Board Meetings Attended in 2023
• 10/10

Academic/Professional Qualifications

- Advance Management Programme, Harvard Business School, USA
- Member of the Malaysian Institute of Accountants (MIA)
- Fellow of the Association of Chartered Certified Accountants
- Bachelor of Science Degree in Economics, majoring in Accounting and Finance, The London School of Economics and Political Science, University of London, UK

Present Directorships

- Listed issuer:
- MISC Berhad
 - KLCC Property Holdings Berhad
 - KLCC Real Estate Investment Trust

Other public company:
• Petroliam Nasional Berhad

Present Appointments

- Executive Vice President & Group Chief Financial Officer, PETRONAS
- Board Member of PETRONAS and various companies in PETRONAS
- Treasurer of Malaysian Petroleum Club

Past Experience

- Vice President, Group Procurement, PETRONAS
- Group Financial Controller, PETRONAS
- Chief Financial Officer, PETRONAS' Upstream Business
- Senior General Manager, PETRONAS Group Treasury
- Chief Financial Officer, PETRONAS Gas Berhad
- Member, Board Audit Committee, MISC Berhad
- Chairman, ENER GAS Insurance (L) Ltd

- Declaration by all Directors**
- No family relationship with any Director/Major Shareholder of MISC Berhad
 - No conflict of interests with MISC Berhad
 - No conviction for any offences within the past 5 years other than traffic offences, if any
 - No public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2023

Our Management Committee

Our Management Committee





<div>1</div> <div>Hazrin Hasan</div> <div>✓</div> <div>Vice President, Gas Assets & Solutions</div>	<div>2</div> <div>Alexander James Brigden</div> <div>✓</div> <div>Vice President, Offshore Business</div>	<div>3</div> <div>Mohd Denny Mohd Isa</div> <div>✓</div> <div>Managing Director & CEO, MISC Maritime Services Sdn. Bhd.</div>	<div>4</div> <div>Captain Peter Liew Guan Hock</div> <div>✓</div> <div>Managing Director/ CEO, Eaglestar Marine Holdings (L) Pte. Ltd.</div>	<div>5</div> <div>Zahid Osman</div> <div>✓</div> <div>President & CEO, AET</div>	<div>6</div> <div>Captain Rajalingam Subramaniam</div> <div>✓</div> <div>President/Group CEO, MISC Berhad</div>	<div>7</div> <div>Afendy Mohamed Ali</div> <div>✓</div> <div>Vice President, Group Finance</div>	<div>8</div> <div>Shariza Mohd Jaffar Sadiq Maricar</div> <div>✓</div> <div>Vice President, Human Resource Management</div>	<div>9</div> <div>Captain Raja Sager Muniandy</div> <div>✓</div> <div>Vice President, Group Health, Safety, Security & Environment (GHSSE)</div>	<div>10</div> <div>Raja Azlan Shah Raja Azwa</div> <div>✓</div> <div>Vice President, Corporate Planning</div>	<div>11</div> <div>Ausmal Kardin</div> <div>✓</div> <div>Vice President, Legal, Corporate Secretarial and Compliance</div>
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Profiles of the Management Committee

CAPTAIN RAJALINGAM SUBRAMANIAM

President/Group CEO, MISC Berhad

Nationality: 

Gender: 

Age:

58

Date of Appointment

- 1 October 2022 as President/Group CEO of MISC Berhad
- 1 February 2022 as Chief Operating Officer of MISC Berhad
- 1 January 2016 as President & CEO, AET

Responsibilities

- Implementation of policies, strategies and decisions as formulated by the Board and overseeing the day-to-day management and operations of MISC Group
- Ensuring that a sound management structure is in place

Academic/Professional Qualifications

- Master of Business Administration, Universiti Utara Malaysia
- Master (Foreign Going) Certificate of Competency, Ministry of Transport Malaysia
- Professional Maritime Training, Akademi Laut Malaysia (ALAM)
- Executive Education in Finance, INSEAD Fontainebleau
- International Corporate Governance/Directors, INSEAD Fontainebleau

Industry Recognitions

- TradeWinds Top 10 Green Power List Leaders
- Lloyd’s List Top 100 People in Shipping
- Honorary Fellowship, Association of Malaysia’s Maritime Professionals (IKMAL)
- National Seafarers Icon 2017 from the Malaysia Marine Department

Present Appointments


- Board Member, MISC Berhad
- Board Member, Malaysia Marine and Heavy Engineering Holdings Berhad
- Chairman and Board Member, various subsidiaries within the MISC Group
- Board Member, GARD P&I
- Election and Governance Committee Member, GARD P&I
- Executive Committee Member, INTERTANKO
- Chair, various class committees
- Honorary Commander, Royal Malaysian Navy Reservist Programme


Past Experience

- Chief Operating Officer, MISC Berhad
- President & CEO, AET
- Vice President, Fleet Management Services, MISC Berhad
- Group Vice President, AET Shipmanagement

ZAHID OSMAN

President & CEO, AET

Nationality: 

Gender: 

Age:

51

Date of Appointment

- 1 June 2023 as President & CEO, AET
- 1 January 2022 as Vice President, Corporate Planning
- 1 August 2017 as Vice President, LNG Business (now known as Gas Assets & Solutions)

Responsibilities

- Overall leadership and management of AET, the petroleum and product shipping arm of MISC Berhad
- Development of AET’s sustainability and profitability through efficient and strategic business development and stakeholder management

Academic/Professional Qualifications

- Master of Business Administration, University of Chicago Booth School of Business, USA
- Bachelor of Science (Industrial Economics), University of Nottingham, UK
- Management Program on Strategy Creation, Columbia Business School

Present Appointments


- Board Member, various subsidiaries within the MISC and/or AET Group
- Chairman of Advisory Panel at Malaysia Women in Energy (MyWiE)
- Committee Member, The London P&I Club


Past Experience

- Council Member and Chairman of Government & Regulatory Affairs Working Committee, Malaysian Gas Association
- Vice President, Corporate Planning, MISC Berhad
- Vice President, LNG Business (now known as Gas Assets & Solutions), MISC Berhad
- Vice President of Venture Development, Shell Integrated Gas & New Energies
- Management positions in finance, Liquefied Natural Gas (LNG) marketing and trading, business development, commercial, Upstream production sharing contract (PSC), stakeholder management, Joint Venture (JV) governance, gas advocacy and project management in Upstream, Downstream, Integrated Gas and Trading businesses, Shell Group of Companies

HAZRIN HASAN

Vice President, Gas Assets & Solutions

Nationality: 

Gender: 

Age:

57

Date of Appointment

- 1 January 2022 as Vice President, Gas Assets & Solutions
- 1 April 2018 as Managing Director/CEO, MISC Maritime Services Sdn. Bhd.

Responsibilities

- Overall management and operations of the conventional LNG shipping and non-conventional gas asset solutions of MISC Berhad
- Development of the sustainability and profitability of LNG shipping and non-conventional gas asset solutions through efficient and strategic business development and stakeholder management

Academic/Professional Qualifications

- Certified Chief Engineer, Maritime and Coastguard Agency (MCA), UK
- Marine Engineering, South Tyneside College, UK
- Senior Management Development Program, INSEAD

Present Appointments

- Board Member, various subsidiaries and joint venture companies within the MISC Group
- Board Member, Society of International Gas Tanker and Terminal Operators (SIGTTO)
- Council Member, Malaysian Gas Association (MGA)

Past Experience

- Managing Director & CEO, MISC Maritime Services Sdn. Bhd.
- Head, Ship Operations and Contract Management, LNG Business, MISC Berhad
- General Manager, Project Management Ship, Group Technical Services
- Managerial roles in Fleet Management Services (FMS) and the Human Resource function in FMS
- Joined MISC as an Engine Cadet and had sailed on MISC LNG vessels, finishing his sea career as Chief Engineer

ALEXANDER JAMES BRIGDEN

Vice President, Offshore Business

Nationality: 

Gender: 

Age:

52

Date of Appointment

- 11 January 2023

Responsibilities

- Overall management and operations of the Offshore Business arm of MISC Berhad
- Development of the Offshore Business’ sustainability and profitability through efficient and strategic business development and stakeholder management

Academic/Professional Qualifications

- Master of Business Administration, National University of Singapore
- Member of the Royal Institution of Naval Architects
- Member, Institute of Marine Engineers
- Chartered Engineer, UK Engineering Council
- Post Graduate Certificate – Marine Technology
- Bachelor of Engineering, University of Newcastle Upon Tyne, UK

Present Appointments

- Board Member, various subsidiaries and joint venture companies within the MISC Group

Past Experience

- Global Director, Project Delivery & Technology, Offshore Business, MISC Berhad
- Director, Project Delivery & Technology, MISC Berhad

Profiles of the Management Committee

CAPTAIN PETER LIEW GUAN HOCK

Managing Director/CEO,
Eaglestar Marine Holdings (L) Pte. Ltd.

Nationality: 

Gender: 

Age: 

Date of Appointment

- 1 June 2021

Responsibilities

- Overall management and operations of Eaglestar, an Integrated Marine Services company of MISC Berhad
- Development of Eaglestar’s sustainability and profitability through efficient and strategic business development and stakeholder management

Academic/Professional Qualifications

- Master (Foreign Going) Certificate of Competency, Ministry of Transport, Malaysia
- Professional Maritime Training, Akademi Laut Malaysia (ALAM)

Present Appointments

- Board Member, various subsidiaries within the MISC Group

Past Experience

- Global Director, Business Development & Joint Venture Management, AET Singapore
- Global Director of Crude Shipping, AET Houston
- Regional Director of Americas, AET Houston
- Vice President of Chartering, AET Houston
- Senior Manager Chartering, MISC Bulk Shipping
- Manager Chartering, MISC Petroleum Tankers
- Marine Superintendent, MISC Petroleum Tankers
- Manager, HR-SEA MISC LNG
- Assistant Superintendent, MISC LNG
- Joined MISC in 1984 and had sailed on various types of tankers for ten (10) years, finishing his sea career as Master Mariner

MOHD DENNY MOHD ISA

Managing Director & CEO,
MISC Maritime Services Sdn. Bhd.

Nationality: 

Gender: 

Age: 

Date of Appointment

- 1 January 2022

Responsibilities

- Overall management and operations of MMS, the ports and terminal services arm of MISC Berhad
- Development of MMS’ and Sungai Udang Port’s sustainability and profitability through efficient and strategic business development and stakeholder management

Academic/Professional Qualifications

- Master of Business Administration, University of Technology, Malaysia
- Graduate Certificate, International Management, University of Melbourne
- Marine Engineer, First Class Certificate of Competency (Steam), Ministry of Transport, Malaysia
- Professional Maritime Training, Akademi Laut Malaysia (ALAM)

Present Appointments

- Chairman and Board Member, various subsidiaries within the MISC Group

Past Experience

- Chief Operating Officer, Eaglestar Marine Holdings (L) Pte. Ltd.
- General Manager, President & Group CEO’s Office, MISC Berhad
- General Manager, Human Resource Management (Sea), MISC Berhad
- Head of Fleet Operations, Fleet Management Services (LNG), MISC Berhad
- Engineer Superintendent, Fleet Management Services (LNG), MISC Berhad
- Marine Engineer, MISC Berhad

RAJA AZLAN SHAH RAJA AZWA

Vice President,
Corporate Planning

Nationality: 

Gender: 

Age: 

Date of Appointment

- 1 March 2024 as Vice President, Corporate Planning
- 8 April 2019 as Vice President, Group Finance

Responsibilities

- Overall management and implementation of the MISC Group corporate strategies and plans
- Manage and monitor risk management and internal controls for MISC Group
- Responsible for the management of sustainability matters of the MISC Group

Academic/Professional Qualifications

- Degree in Accounting and Financial Management, University of Sheffield, UK
- Certified Public Accountant (CPA), Malaysian Institute of Certified Public Accountants

Present Appointments

- Board Member, various subsidiaries and joint venture companies within the MISC Group
- Board Member, Malaysia Marine and Heavy Engineering Holdings Berhad (MHB)
- Member, Board Risk Committee, MHB
- Board Member, Labuan Reinsurance (L) Ltd.
- Chairman, Audit Committee, Labuan Reinsurance (L) Ltd.

Past Experience

- Vice President, Group Finance
- Independent Non-Executive Director, IJN Holdings Sdn. Bhd.
- Chairman, Audit and Risk Management Committee, IJN Holdings Sdn. Bhd.
- Independent Non-Executive Director, D.B.E. Gurney Resources Berhad
- Chairman, Audit and Risk Management Committee, D.B.E. Gurney Resources Berhad
- Group Chief Executive Officer, Percon Corporation Sdn. Bhd.
- Executive Director, River of Life Hospital Sdn. Bhd.
- Head, Strategy and Innovation, Sime Darby Property
- Group Chief Executive Officer, Ramsay Sime Darby Health Care Group
- Managing Director, Sime Darby Healthcare Group
- Chief of Staff, Sime Darby Berhad
- Group Head, Strategy, Sime Darby Berhad
- Group Head, Corporate Finance and Corporate Planning, Sime Darby Berhad
- Group Head, Corporate Finance, Sime Darby Berhad
- Senior Manager, Corporate Finance, CIMB Investment Bank
- Auditor, Arthur Andersen and Co.

AFENDY MOHAMED ALI

Vice President,
Group Finance

Nationality: 

Gender: 

Age: 

Date of Appointment

- 1 March 2024

Responsibilities

- Overall management and coordination of financial reporting, financial planning, debt financing, treasury and budget management functions of the MISC Group
- Ensuring that the accounting procedures and reporting of the MISC Group complies with the relevant accounting principles, standards and regulations
- Ensuring procurement activities of the MISC Group complies with the procurement policies, procedures and governance requirements
- Provides tax advisory for the Group and tax planning for new ventures
- Ensuring ICT services and infrastructure systems support the business needs and demands through secured platforms

Academic/Professional Qualifications

- Degree in Accounting & Finance (Hons), Lancaster University, UK
- Institute of Chartered Accountants in England & Wales (ICAEW)

Present Appointments

- Board Member, various subsidiaries and joint venture companies within the PETRONAS and MISC Group

Past Experience

- Senior General Manager, Finance & Risk, PETRONAS Gas Business
- Senior General Manager, EDP Finance, PETRONAS Upstream Business
- Chief Financial Officer, Pacific Northwest LNG
- General Manager, Finance & Accounts, PETRONAS Carigali Iraq (Holding) BV
- General Manager, Accounting & Financial Services, PETRONAS Upstream Business
- Senior Manager, Group Budget, Accounting & Tax, International, PETRONAS Carigali Sdn. Bhd.
- Senior Finance Manager, PETRONAS Egypt
- Auditor, DSG Chartered Accountants, UK

Profiles of the Management Committee

AUSMAL KARDIN

Vice President,
Legal, Corporate Secretarial and Compliance

Nationality: 

Gender: 

Age:

53

Date of Appointment

- 1 January 2020

Responsibilities

- Responsible for the management of all legal affairs, company secretarial services, compliance and insurance matters of the Group

Academic/Professional Qualifications

- Bachelor’s Degree in Law from the University of Wales, Aberystwyth, UK
- Licensed Company Secretary

Present Appointments

- Company Secretary of MISC Berhad
- Board Member, various subsidiaries and joint venture company within the MISC Group
- Board Member, Malaysia Marine and Heavy Engineering Holdings Berhad (MHB)
- Member, Board Audit Committee, MHB
- Member, Nomination & Remuneration Committee, MHB

Past Experience

- Company Secretary, MHB and various subsidiaries and joint venture companies within the MHB Group
- Senior General Manager, Legal, Corporate Secretarial & Human Resource, MHB
- Senior General Manager, Legal & Corporate Secretarial Affairs, MHB
- General Manager, Legal, Corporate Secretarial and Administration, MHB Group
- General Manager, Legal & Administration, MHB
- Vice President, Legal & Secretarial, Bumi Armada Berhad

SHARIZA MOHD JAFFAR SADIQ MARICAR

Vice President,
Human Resource Management

Nationality: 

Gender: 

Age:

48

Date of Appointment

- 1 March 2021

Responsibilities

- Formulate people strategies and human resource agenda for the MISC Group to identify and develop capable leaders for the Group through succession planning, competency profiling and learning & development
- Ensure the availability and constant supply of competent and able resources to support the Group’s goals and aspirations for present and future

Academic/Professional Qualifications

- Bachelor of Science in Business Administration, Major in Human Resource, Drexel University, USA

Present Appointments

- Board Member, various subsidiaries within the MISC Group

Past Experience

- Head Human Resource Operations, MISC Berhad
- Head Recruitment, MISC Berhad
- Senior Manager, President/CEO Office, MISC Berhad
- Manager, President/CEO Office, MISC Berhad
- Manager, Project & Change Management, MISC Berhad

CAPTAIN RAJA SAGER MUNIANDY

Vice President, Group Health, Safety, Security & Environment (GHSSE)

Nationality: 

Gender: 

Age:

62

Date of Appointment

- 1 June 2021 as Vice President, GHSSE
- 1 May 2017 as Managing Director/CEO Eaglestar Marine Holdings (L) Pte. Ltd.

Responsibilities

- Responsible for oversight and management of Health, Safety, Security, Cybersecurity and Environment matters of the MISC Group

Academic/Professional Qualifications

- Graduate Diploma in International Business, University of Melbourne, Australia
- Master in Business Administration, University Utara Malaysia
- Master (Foreign Going) Certificate of Competency, Ministry of Transport, New Zealand
- Professional Maritime Training, Akademi Laut Malaysia (ALAM)

Present Appointments

- Board Member, various subsidiaries within the MISC Group

Past Experience

- Managing Director/CEO, Eaglestar Marine Holdings (L) Pte. Ltd.
- Head of Fleet Management Services, MISC Berhad
- Senior General Manager, Fleet Operations & Maintenance, MISC Berhad
- Fleet Director, AET Ship Management Pte. Ltd.
- General Manager, AET Ship Management (M) Sdn. Bhd.
- Master on Chemical Tankers

Mohd Nazir Mohd Nor was appointed as Managing Director & CEO of Malaysia Marine and Heavy Engineering Holdings Berhad (MHB) with effect from 1 December 2023.

Please refer to the Integrated Annual Report 2023 of MHB for the profile of its Managing Director & CEO, Mohd Nazir Mohd Nor.

Declaration by all Management Committee

- No family relationship with any Director/Major Shareholder of MISC Berhad
- No conflict of interests with MISC Berhad
- No conviction for any offences within the past 5 years other than traffic offences, if any
- No public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2023

Section 12

GOVERNANCE

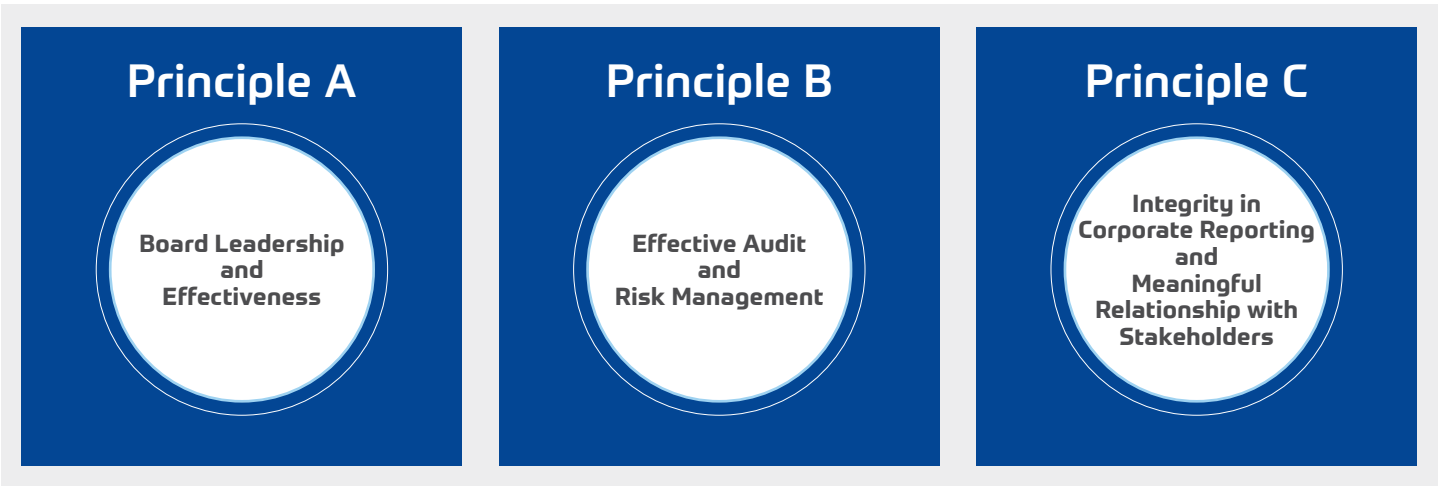
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Corporate Governance Overview Statement

MISC continues its commitment to enhancing sustainable shareholder value and protecting stakeholders’ interests through sound corporate governance (CG) practices.

As governance forms one of the pillars that upholds MISC’s Sustainability Strategy, the Board advocates alignment between MISC’s CG practices with the Companies Act 2016, the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the best practice recommendations of the Malaysian Code on Corporate Governance (MCCG). MISC has subscribed to all Intended Outcomes with three (3) deviations from the MCCG Practices, namely Practice 8.2 and Step-Up Practice 8.3 and 9.4. This CG Overview Statement should be read together with the Company’s CG Report 2023, a copy of which is available at our website www.miscgroup.com.

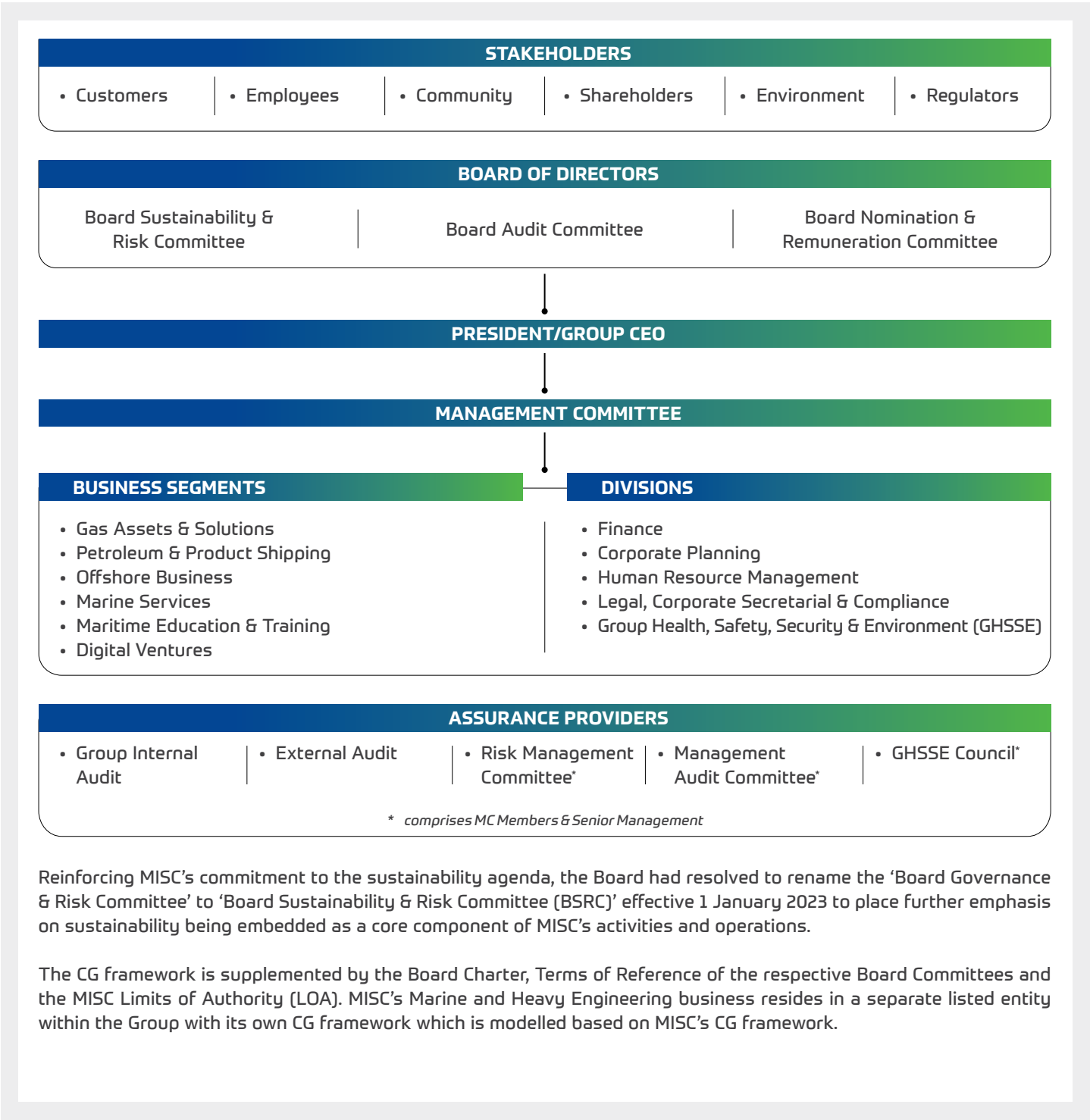
This CG Overview Statement seeks to provide investors and stakeholders with insights on the CG practices of MISC for the financial year 2023, specifically on the following three (3) key CG Principles as prescribed in the MCCG:



Corporate Governance Overview Statement

OUR CORPORATE GOVERNANCE FRAMEWORK

The CG framework of MISC, as depicted below, is reflective of the way strategic and operational activities are managed. The compositions of the Board Committees and Management are designed based on the respective areas of knowledge and expertise.



Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Purpose

The Board has the overall responsibility for providing oversight and stewardship to MISC in executing the Company’s objectives. The Board is guided by the principles and best practices as stated in the MCCG and understands its responsibility to exercise good corporate governance.

Board Charter

In discharging the Board’s duties and responsibilities effectively, the Board is guided by the MISC Board Charter which provides the framework for the performance of the Board’s function and duties vis-à-vis Management and the Company, consistent with the practices set out in the MCCG. The MISC Board Charter outlines amongst others, the Board’s and the individual Directors’ roles and responsibilities, processes, functions and professional development, in order to attain efficiency in Board performance.

➞ For more information on the MISC Board Charter, please visit www.miscgroup.com.

Board Roles and Responsibilities

In discharging its fiduciary duties and leadership functions, the main roles and responsibilities of the Board are as follows:

- Establishing a strategic plan and setting of targets for the Company in line with the Company’s vision, mission and business objectives which supports long-term value creation and includes a sustainability agenda;
- Overseeing the conduct and performance of the Company and of the President/Group CEO against set goals and objectives;
- Upholding, together with Senior Management, good corporate governance culture and business conduct within the Company and its employees, which reinforces ethical, prudent and professional behaviour;
- Identifying and understanding the principal risks of the Company and setting the Company’s risk appetite and ensuring the implementation of appropriate systems to evaluate, monitor and manage these risks;
- Establishing an effective risk management and internal control framework, including regular review of the adequacy and the effectiveness of the framework;
- Reviewing the Company’s strategic, capital or funding transactions and monitoring execution of these transactions;
- Ensuring the integrity and adequacy of the Company’s financial and non-financial reporting and disclosure;
- Ensuring sound succession planning and continuous development of human capital, in particular of the Senior Management and ensuring there are measures in place for the orderly succession of the Board and Senior Management; and
- Developing and implementing an investor relations programme and putting in place procedures to enable effective communications with the stakeholders of the Company.

Matters reserved for the Board are clearly defined in the MISC LOA, which provides a clear demarcation between the responsibilities of the Board and Management. Board-reserved matters are generally divided into three (3) categories:

1. Statutory decisions for MISC based on regulatory and statutory requirements;
2. Strategic decisions for MISC Group; and
3. Operational decisions for MISC Group that are of high importance and value.

Board Committees

To facilitate the effective and efficient discharge of the Board’s duties and responsibilities, the Board is complemented by three (3) Board Committees:

(a) Board Audit Committee (BAC)

The BAC provides oversight on the financial reporting process and internal control framework and policies as well as MISC’s Whistleblowing Policy, whistleblowing management process and actions thereon.

Corporate Governance Overview Statement

(b) Board Nomination & Remuneration Committee (BNRC)

The BNRC provides oversight on Board performance and effectiveness, Board composition and diversity, Directors’ skills and experience, Directors’ induction and continuous professional development, remuneration of Directors, Senior Management and employees and succession planning for the Board and Senior Management.

(c) Board Sustainability & Risk Committee (BSRC)

The BSRC provides oversight on the risk management framework, policies and processes as well as the sustainability strategy, whilst also monitoring governance practices and ensuring effectiveness of the compliance and ethics strategy.

All Board Committees operate under their respective Terms of Reference. Nevertheless, the Board is ultimately accountable and collectively responsible for the affairs and business of MISC.

➞ For more information on the Board Committees, please refer to their respective reports on pages 165 to 171 (for the BNRC), pages 172 to 180 (for the BAC) and pages 181 to 184 (for the BSRC) of this Integrated Annual Report.

Board Composition and Diversity

In line with the MMLR and the MCCG, the MISC Board comprises a majority of Independent Directors. The composition of the Board promotes diversity and enables various perspectives to be considered, which facilitates the making of informed decisions and the stewardship of MISC. The Board recognises the need to strategically evolve as a dynamic Board in accordance with the strategic direction of the Company. Hence, the Board actively reviews its composition to ensure it has the right balance of independence and diversity to effectively discharge its collective responsibilities and to implement the necessary succession plans.













As at 1 March 2024, the Board composition is as follows:

Name of Director	Age	Gender	Nationality/Ethnicity	Date of Appointment	Tenure (Years, “Y”) (Months, “M”)
Independent Non-Executive Directors (representing minority shareholders)					
Datuk Abu Huraira Abu Yazid (Chairman)	70	Male	Malaysian/Malay	9 October 2020	3Y 4M
Chew Liong Kim	68	Male	Malaysian/Chinese	1 September 2021	2Y 6M
Datin Norazah Mohamed Razali	53	Female	Malaysian/Malay	9 October 2020	3Y 4M
Dato’ Tengku Marina Tunku Annuar	61	Female	Malaysian/Malay	1 January 2022	2Y 2M
Mohammad Suhaimi Mohd Yasin	63	Male	Malaysian/Malay	9 October 2020	3Y 4M
Non-Independent Non-Executive Directors (representing the major shareholder)					
Liza Mustapha	53	Female	Malaysian/Malay	1 July 2017	6Y 8M
Wan Shamilah Wan Muhammad Saidi	53	Female	Malaysian/Malay	1 June 2022	1Y 9M
Executive Director (representing Management)					
Captain Rajalingam Subramaniam	58	Male	Malaysian/Indian	1 October 2022	1Y 5M

- Key Facts:
- Majority of the Board members are Independent Non-Executive Directors (62.5%).
 - Gender diversity ratio of 50% women on the Board.
 - Separate positions of Chairman and President/Group CEO.
 - Independent Non-Executive Directors do not exceed the cumulative tenure of nine (9) years.
 - The re-election of Board members is done annually on a rotation basis in accordance with the Companies Act 2016, MMLR and the Company’s Constitution.

In carrying out their duties and responsibilities, each Director is expected to devote sufficient time and attention to the Company. The Chairman will be notified before the Directors accept any new directorship outside the Group. The notification would include an indication of the time commitment required for the new appointment. In accordance with the MMLR, none of the Board members hold more than five (5) directorships in public listed companies.

Corporate Governance Overview Statement

Board Skills Matrix								
	Datuk Abu Huraيرا Abu Yazid	Chew Liong Kim	Datin Norazah Mohamed Razali	Dato' Tengku Marina Tunku Annuar	Mohammad Suhaimi Mohd Yasin	Liza Mustapha	Wan Shamilah Wan Muhammad Saidi	Captain Rajalingam Subramaniam
 Finance & Audit		●	●		●	●	●	●
 Economics	●							
 Risk Management	●	●	●	●	●	●	●	●
 Corporate Planning	●	●	●	●	●	●	●	●
 Marketing				●	●			●
 Operations		●		●		●	●	●
 Corporate Governance	●	●	●	●	●	●	●	●
 Human Resource			●	●				●
 Information Technology		●					●	
 Legal & Regulatory				●				
 ESG			●	●				●
 Strategic Communications				●				

Corporate Governance Overview Statement

The Board strongly believes that diversity in the Board composition is essential for good governance and productive functioning of the Board. The Board is of the view that each Director should be evaluated and/or appointed based on his or her merits with due consideration given to diversity, as stated in the MISC Board Diversity Policy which forms part of the MISC Board Charter.

The Company has fulfilled its commitment to adhere to the MCCG recommendation for the Board to comprise at least 30% women directors. As of the latest practicable date of this Integrated Annual Report (1 March 2024), the gender diversity ratio of women directors of the Company stood at 50%.

➤ For more information on the Board members, please refer to their respective profiles on pages 132 to 135 of this Integrated Annual Report.

Demarcation of Responsibilities at the Board Level

Chairman
<ul style="list-style-type: none">Leads the Board and ensures the Board fulfils its obligations to the Company effectively.Sets the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making.Instils and monitors good CG practices and chairs all Board and shareholders' meetings.Has the discretion to determine whether additional Board Committees are required to support the Board's roles and responsibilities.The MISC Board Charter provides that the Chairman of the Board shall not be a member of any MISC Board Committees.
President/Group CEO
<ul style="list-style-type: none">Leads the overall operations of the business and organisational effectiveness, with the support of the Management Committee.Coordinates the development and implementation of policies and business strategies, as guided and approved by the Board.Develops and translates policies and business strategies into a set of manageable goals and priorities based on effective risk management controls for business operations, investments and other activities.Ensures that financial management practices are performed with the highest level of integrity and transparency in the interest of the Company's stakeholders.Ensures that the business and affairs of the Company are carried out in an ethical manner and in compliance with the relevant laws and regulations.
Senior Independent Director
<ul style="list-style-type: none">Sounding board for the Chairman of the Board.Intermediary for other Directors and/or Chairman when necessary.Point of contact for shareholders and other stakeholders on areas which cannot be resolved through normal channels of contact with the Chairman or President/Group CEO.Executes such other roles as designated by the Board from time to time. <p>Any issues relating to the Group that requires the attention of the Senior Independent Director can be directed to his email address at chew.liongkim@miscbhd.com or the following address:</p> <div><p>Mr. Chew Liong Kim Senior Independent Director MISC Berhad Level 25 Menara Dayabumi Jalan Sultan Hishamuddin 50050 Kuala Lumpur</p></div>
Independent Non-Executive Directors
<ul style="list-style-type: none">Provides independent views and advice so that the strategies and initiatives proposed by Management are open to constructive challenges to uphold the long-term interest of the Group, taking into consideration the interest of stakeholders, including the minority shareholders.Based on the criteria on Independent Non-Executive Directors (INEDs) pursuant to the MMLR, all INEDs, including the Chairman, are independent of Management and free from any business or other relationships that could materially interfere with the exercise of their independent judgement.Pursuant to the MISC Board Charter, the INEDs are subject to a 9-year cumulative limit on their tenure in MISC without further extension.
Non-Independent Non-Executive Directors
<ul style="list-style-type: none">Provides input from the major shareholder's perspective so that the strategies and initiatives proposed by Management are aligned with the major shareholder's positioning for the Group whilst balancing the interests of other stakeholders.

Corporate Governance Overview Statement

Board Meetings and Access to Management, Company Secretaries, Information and External Experts

The Board of Directors’ meetings together with tentative agendas are scheduled in advance of any new financial year to enable Directors to plan and fit the year’s meetings into their schedules. The Board meets on a quarterly basis and additional meetings are held as and when required. The tentative agendas include matters reserved for the Board such as the annual budget and business plan, financial performance review, major investments and financial decisions and other strategic matters including changes or implementation of key policies and procedures and delegation of authority limits.

MISC Board’s Focus Areas in 2023	
Project Execution and Delivery	<ul style="list-style-type: none">Monitor the progress of projects currently under construction and focus on delivering them into operations and converting into cash generating assets.
Strategic Direction	<ul style="list-style-type: none">Review the medium to long-term business strategy, identify opportunities arising from the energy transition and adopt a business plan and budget which facilitates Management’s pursuit of MISC’s targets.
Sustainability	<ul style="list-style-type: none">Monitor the progress of initiatives under the MISC Group Sustainability Strategy, including commitment towards decarbonisation, promoting the circular economy, health and safety, diversity and inclusion and values and business ethics.
Internal Transformations	<ul style="list-style-type: none">Monitor the Group’s various internal transformations to strengthen processes in finance, procurement and document management, which will underpin the digitalisation of processes.
Risk Management	<ul style="list-style-type: none">Review and monitor the impact of the geopolitical conflict and supply chain disruptions to the MISC Group and implement the necessary mitigation plans.Review risk assessments for projects, tenders and transactions.
Succession Planning	<ul style="list-style-type: none">Oversee the succession plan of Independent Non-Executive Directors and Senior Management to ensure continuity.Conducted a focused and thorough review of each Board Committees and the discharge of their functions.
Corporate Governance	<ul style="list-style-type: none">Ensure the integrity of MISC’s financial and non-financial reporting, internal controls and whistleblowing systems.Review MISC’s policies and procedures pursuant to changes to applicable laws and regulations.

To avoid any conflict of interest, all Board members declare their interests (where applicable) at all Board meetings.

Corporate Governance Overview Statement

All Board and Board Committee members attended all meetings during their tenure throughout the financial year as detailed in the summary of the AGM, Board and Board Committees’ meetings attendance in 2023:

Name of Director	Meeting Attendance in 2023				
	AGM	Board	BAC	BSRC	BNRC
Datuk Abu Huraira Abu Yazid <i>(Chairman)</i>	1/1	10/10	-	-	-
Chew Liong Kim ⁽¹⁾ <i>(BAC Chairman)</i>	1/1	10/10	5/5	-	-
Datin Norazah Mohamed Razali <i>(BSRC Chairperson)</i>	1/1	10/10	-	5/5	6/6
Dato’ Tengku Marina Tunku Annuar ⁽²⁾ <i>(BNRC Chairperson)</i>	1/1	10/10	-	5/5	2/2
Mohammad Suhaimi Mohd Yasin	1/1	10/10	-	5/5	-
Liza Mustapha	1/1	10/10	-	-	-
Wan Shamilah Wan Muhammad Saidi ⁽³⁾	1/1	10/10	-	-	3/3
Captain Rajalingam Subramaniam <i>(President/Group CEO)</i>	1/1	10/10	-----	Permanent Invitee	-----
Dato’ Sekhar Krishnan ⁽⁴⁾	1/1	10/10	5/5	5/5	-
Dato’ Ab. Halim Mohyiddin ⁽⁵⁾	1/1	10/10	5/5	5/5	-
Datuk Nasarudin Md Idris ⁽⁶⁾	1/1	7/7	4/4	-	4/4
Dato’ Rozalila Abdul Rahman ⁽⁷⁾	1/1	7/7	-	-	4/4

⁽¹⁾ Mr. Chew Liong Kim was re-designated as Senior Independent Non-Executive Director, appointed as Chairman of the BAC and member of the BSRC on 15 January 2024.

⁽²⁾ Dato’ Tengku Marina Tunku Annuar was appointed as Chairperson and member of the BNRC on 1 September 2023.

⁽³⁾ Cik Wan Shamilah Wan Muhammad Saidi was appointed as a member of the BNRC on 1 May 2023.

⁽⁴⁾ Dato’ Sekhar Krishnan retired as Senior Independent Non-Executive Director of MISC and ceased as Chairman of the BAC and member of the BSRC on 15 January 2024.

⁽⁵⁾ Dato’ Ab. Halim Mohyiddin retired as Independent Non-Executive Director of MISC and ceased as member of the BAC and the BSRC on 15 January 2024.

⁽⁶⁾ Datuk Nasarudin Md Idris retired as Independent Non-Executive Director of MISC and ceased as Chairman of the BNRC and member of the BAC on 1 September 2023.

⁽⁷⁾ Dato’ Rozalila Abdul Rahman retired as Independent Non-Executive Director of MISC and ceased as member of the BNRC on 1 September 2023.

In the discharge of their duties and responsibilities, the Directors have direct access to Management and unrestricted access to any information relating to the Company and the Group. Where necessary, Management presentations and briefings are held before or during Board meetings to provide clarity to the Board members before they deliberate on matters tabled for approval. Distribution of Board papers and other relevant information is done electronically as it enhances efficiency and enables the Directors to access the information at their convenience. This also reaffirms the Board’s and Company’s commitment to sustainable practices.

The Board is also supported by qualified and competent Company Secretaries who provide sound advice on governance, ensure adherence to rules and procedures and advocate the adoption of CG best practices. En. Ausmal Kardin, Vice President, Legal, Corporate Secretarial and Compliance, is the Company Secretary of MISC Berhad. Pn. Noridah Khamis, Director, Legal, Offshore Business, is the Joint Company Secretary of MISC Berhad.

The deliberations at all meetings of the Board and Board Committees are properly recorded and communicated to Management for necessary action. Minutes of Board and Board Committee meetings, which include records of decisions made thereat, are properly maintained by the Company Secretary.

Corporate Governance Overview Statement

Directors’ Training and Development

All Board members of the Company are encouraged to attend continuous education programmes to ensure they keep abreast with new developments in the business and economic environment, to enhance their skills, as well as to ensure that they possess the necessary knowledge to enable them to discharge their duties and responsibilities more effectively. All Directors of the Company have completed the Mandatory Accreditation Programme (MAP) Part I. In line with the recent amendments to MMLR in relation to sustainability training for Directors, the Directors of the Company will complete the MAP Part II within the prescribed timeframe.

In compliance with Paragraphs 15.08(2) and (3) of the MMLR, the training programmes attended by the Board members in 2023 are as follows:

Name of Director	Training Attended	Presenter/Organiser	Date
Datuk Abu Huraira Abu Yazid	1. Energy Transport in Transition Outlook	DNV Malaysia	4 May 2023
	2. People at the Core of Digital Upskilling	MY PwC Academy	9 May 2023
	3. MISC Market Outlook Series 23 – Offshore Wind Industry Market Outlook	IHS Markit/MISC Berhad	12 June 2023
	4. MISC Directors’ Training FY2023 <ul style="list-style-type: none">Carbon Capture, Utilisation and Storage: Market InsightsESG: Potential Disruptors to Maritime and ShippingEnergy Transition: Financing the Race to Net-ZeroArtificial Intelligence: Applications in the Shipping and Heavy Engineering Industries	MISC Berhad	13 June 2023
	5. MISC Market Outlook Series 23 – Clean Energy Outlook and Trends	Rystad Energy/MISC Berhad	14 June 2023
	6. MISC Market Outlook Series 23 – Gas and LNG Market Outlook	Rystad Energy/MISC Berhad	21 June 2023
	7. Global Energy Market Trends	DNV Malaysia	22 June 2023
	8. MISC Market Outlook Series 23 – Global Oil and Tanker Market Outlook	Kpler/MISC Berhad	26 June 2023
	9. MISC Market Outlook Series 23 – Offshore Floating Production Market and Trends	Energy Maritime Associates (EMA)/MISC Berhad	27 June 2023
	10. Chairperson Masterclass Series 2023 – Scaling Up the Circular Economy	Climate Governance Malaysia (CGM)	30 June 2023
	11. Chairperson Masterclass Series 2023 – The Concept of Double Materiality	CGM	3 August 2023
	12. Carbon Pricing in Malaysian Context	CGM	7 August 2023
	13. National Climate Governance Summit 2023	CGM	5 September 2023
	14. MISC Directors’ Training FY2023 <ul style="list-style-type: none">New Considerations for Risk Assessment in the Era of DecarbonisationRoadmap to Successful Mergers & Acquisitions Transaction in the Current MarketGlobal Minimum Tax: What it Means to Multi-National CorporationsAbatement Technologies: What’s Available and What’s Coming	MISC Berhad	11 September 2023
	15. Sustainability in The Digital Age	Asia Business School (ASB)	14 September 2023
	16. Maritime Forecast to 2050 – Ship Technologies, Fuels and Fuel Production in Focus	DNV Malaysia	26 September 2023
	17. Board Oversight of Climate Risks and Opportunities	ICLIF Executive Education Centre	10 October 2023
	18. Launch of DNV’s Energy Transition Outlook 2023	DNV Malaysia	11 October 2023
	19. AI and The Future of Work	ASB	12 October 2023
	20. The Business of Biodiversity – Why It Matters to Your Company	CGM	13 October 2023

Corporate Governance Overview Statement

Name of Director	Training Attended	Presenter/Organiser	Date
Datuk Abu Huraira Abu Yazid (cont'd)	21. Chairperson Masterclass Series 2023 – Conversation on Biodiversity & TNFD	CGM	13 October 2023
	22. Accenture AI Ascend 2023 - Transcend Boundaries, Elevate Possibilities Accenture	Accenture	26 October 2023
	23. PNB Knowledge Forum 2023	Permodalan Nasional Berhad (PNB)	15 November 2023
	24. Chairperson Masterclass Series 2023 – The New Era of Board Duties	CGM	16 November 2023
	25. Chairperson Masterclass Series 2023 – Managing Scope 3 Emissions	CGM	28 November 2023
	26. Chairperson Masterclass Series 2023 – Reporting under the TCFD Framework	CGM	4 December 2023
Chew Liong Kim	1. Leadership for Enterprise Sustainability Asia (LESA)	ASB	15-16 March 2023
	2. MISC Market Outlook Series 23 – Offshore Wind	IHS Markit/MISC Berhad	12 June 2023
	3. MISC Directors’ Training FY2023 <ul style="list-style-type: none">Carbon Capture, Utilisation and Storage: Market InsightsESG: Potential Disruptors to Maritime and ShippingEnergy Transition: Financing the Race to Net-ZeroArtificial Intelligence: Applications in the Shipping and Heavy Engineering Industries	MISC Berhad	13 June 2023
	4. MISC Market Outlook Series 23 – Clean Energy Outlook and Trends	Rystad Energy/MISC Berhad	14 June 2023
	5. MISC Market Outlook Series 23 – Gas and LNG Market Outlook	Rystad Energy/MISC Berhad	21 June 2023
	6. MISC Market Outlook Series 23 – Global Energy Market Trends	PETRONAS/MISC Berhad	22 June 2023
	7. MISC Market Outlook Series 23 – Global Oil and Tanker Market Outlook	Kpler/MISC Berhad	26 June 2023
	8. MISC Market Outlook Series 23 – Offshore Floating Production Market and Trends	Energy Maritime Associates (EMA)/MISC Berhad	27 June 2023
	9. MISC Directors’ Training FY2023 <ul style="list-style-type: none">New Considerations for Risk Assessment in the Era of DecarbonisationRoadmap to Successful Mergers & Acquisitions Transaction in the Current MarketGlobal Minimum Tax: What it Means to Multi-National CorporationsAbatement Technologies: What’s Available and What’s Coming	MISC Berhad	11 September 2023
Datin Norazah Mohamed Razali	1. Leadership for Enterprise Sustainability Asia (LESA)	ASB	15-16 March 2023
	2. Sustainable Performance	Copperleaf Technologies Inc	2 May 2023
	3. Board Audit Committee Dialogue and Networking: A Serious Allegation is Reported – What Should Boards Do?	Institute of Corporate Directors (ICDM)	6 June 2023
	4. MISC Directors’ Training FY2023 <ul style="list-style-type: none">Carbon Capture, Utilisation and Storage: Market InsightsESG: Potential Disruptors to Maritime and ShippingEnergy Transition: Financing the Race to Net-ZeroArtificial Intelligence: Applications in the Shipping and Heavy Engineering Industries	MISC Berhad	13 June 2023
	5. MISC Market Outlook Series 23 – Clean Energy Outlook and Trends	Rystad Energy/MISC Berhad	14 June 2023

Corporate Governance Overview Statement

Name of Director	Training Attended	Presenter/Organiser	Date
Datin Norazah Mohamed Razali (cont'd)	6. MISC Market Outlook Series 23 – Offshore Floating Production Market and Trends	Energy Maritime Associates (EMA)/MISC	27 June 2023
	7. MISC Market Outlook Series 23 – Technical Development of Vessels in the Era of Decarbonisation	Lloyd’s Register/ MISC Berhad	28 June 2023
	8. <ul style="list-style-type: none">What Amounts to a Conflict of Interest by Directors?Navigating the Culture-Strategy GPS: Best Practices for LeadersUnderstanding the Importance of Human Rights for Business Sustainability and Resilience	Sime Darby Property	8 September 2023
	9. MISC Directors’ Training FY2023 <ul style="list-style-type: none">New Considerations for Risk Assessment in the Era of DecarbonisationRoadmap to Successful Mergers & Acquisitions Transaction in the Current MarketGlobal Minimum Tax: What it Means to Multi-National CorporationsAbatement Technologies: What’s Available and What’s Coming	MISC Berhad	11 September 2023
	10. <ul style="list-style-type: none">Macroeconomic Outlook of ASEANMacroeconomic Outlook of UKGeographical Expansion – AustraliaIndustrial & LogisticsProtecting Your Business with Adaptation & Resilience Against Climate Impacts	Sime Darby Property	9 October 2023
	11. Case Study Masterclass: Spotlight on a Corporate Governance Scandal	Sime Darby Property	10 October 2023
	12. Board and Senior Management’s Leadership Role in Enhancing AML/CFT Compliance Culture	PNB	7 November 2023
	13. Performance Edge: Investors Hone Their Strategies for New Era	PNB	21 November 2023
	14. PNB Planet Cyber	PNB	28 November 2023
	1. Branding in the Industry	Metrix Research Sdn Bhd	10 January 2023
	2. Demystifying ESG - Understanding Bursa Malaysia’s Requirements and ISSB’s Global Baseline On Sustainability Reporting	In House Training/ SP Setia Berhad	17 February 2023
	3. Becoming an Effective Board Member: Tips and Strategies	LeadWomen	16 March 2023
	4. Navigating ESG Data into Decisions	ICDM	21 March 2023
	5. A 60-minute Crisis Management – A Guide for Board Members	ICDM	22 March 2023
Dato’ Tengku Marina Tunku Annuar	6. Advocacy Dialogue with Bursa on ESG Development and FTSE4Good ESG Ratings for all PLCs	ICDM	14 April 2023
	7. Remaking Corporate Governance for an ESG World	ASB	31 May 2023
	8. MISC Directors’ Training FY2023 <ul style="list-style-type: none">Carbon Capture, Utilisation and Storage: Market InsightsESG: Potential Disruptors to Maritime and ShippingEnergy Transition: Financing the Race to Net-ZeroArtificial Intelligence: Applications in the Shipping and Heavy Engineering Industries	MISC Berhad	13 June 2023
	9. Chairperson Masterclass Series 2023 – Scaling Up the Circular Economy	CGM	30 June 2023
	10. Business Action and Advocacy for the Planet – Implementation of the Kunming – Montreal Global Biodiversity Framework (GBF) at the National Level by Malaysian Business and Private Sector Community	Malaysia Platform for Business & Biodiversity (MPBB)	6 July 2023

Corporate Governance Overview Statement

Name of Director	Training Attended	Presenter/Organiser	Date
Dato’ Tengku Marina Tunku Annuar (cont'd)	11. Board Sustainability Committee Dialogue: The ABC Soup of ESG and You (Boards)	ICDM	10 July 2023
	12. Stepping Up to the Role: Objectives of Assurance and Advisory on ESG	ICDM	13 July 2023
	13. Finance Essentials for Non-Finance Executives	ICDM	25 July 2023
	14. Chairperson Masterclass Series 2023 – The Concept of Double Materiality	CGM	3 August 2023
	15. Sustainable Brands Conference	SBKL	15 August 2023
	16. Advocacy for Directors and CEOs of Main Market Listed Issuers	Bursa Malaysia	22 August 2023
	17. MISC Directors’ Training FY2023 <ul style="list-style-type: none">New Considerations for Risk Assessment in the Era of DecarbonisationRoadmap to Successful Mergers & Acquisitions Transaction in the Current MarketGlobal Minimum Tax: What it Means to Multi-National CorporationsAbatement Technologies: What’s Available and What’s Coming	MISC Berhad	11 September 2023
	18. What Amounts to a Conflict of Interest by Directors	ASB	12 September 2023
	19. Decarbonisation Workshop	In House Training/SP Setia Berhad	6 October 2023
	20. Chairperson Masterclass Series 2023 – Conversation on Biodiversity & TNFD	CGM	13 October 2023
	21. Climate Change & Carbon Footprint – Getting the Right Financial Risk & Reporting Perspectives	ICDM	1 December 2023
	22. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Bursa Malaysia	4-5 December 2023
Mohammad Suhaimi Mohd Yasin	1. MISC Directors’ Training FY2023 <ul style="list-style-type: none">Carbon Capture, Utilisation and Storage: Market InsightsESG: Potential Disruptors to Maritime and ShippingEnergy Transition: Financing the Race to Net-ZeroArtificial Intelligence: Applications in the Shipping and Heavy Engineering Industries	MISC Berhad	13 June 2023
	2. MISC Market Outlook Series 23 – Gas and LNG Market Outlook	Rystad Energy/MISC Berhad	21 June 2023
	3. MISC Market Outlook Series 23 – Global Energy Market Trends	PETRONAS/MISC Berhad	22 June 2023
	4. MISC Market Outlook Series 23 – Offshore Floating Production Market and Trends	Energy Maritime Associates (EMA)/MISC Berhad	27 June 2023
	5. MISC Directors’ Training FY2023 <ul style="list-style-type: none">New Considerations for Risk Assessment in the Era of DecarbonisationRoadmap to Successful Mergers & Acquisitions Transaction in the Current MarketGlobal Minimum Tax: What it Means to Multi-National CorporationsAbatement Technologies: What’s Available and What’s Coming	MISC Berhad	11 September 2023
Liza Mustapha	1. World Economic Forum	World Economic Forum (WEF)	16-19 January 2023
	2. PETRONAS ESG Legal Conference 2023	Group Legal, PETRONAS	7 February 2023
	3. CERAWEEK 2023	IHS Markit	6-10 March 2023

Corporate Governance Overview Statement

Name of Director	Training Attended	Presenter/Organiser	Date
Liza Mustapha (cont'd)	4. MISC Directors' Training FY2023 <ul style="list-style-type: none">Carbon Capture, Utilisation and Storage: Market InsightsESG: Potential Disruptors to Maritime and ShippingEnergy Transition: Financing the Race to Net-ZeroArtificial Intelligence: Applications in the Shipping and Heavy Engineering Industries	MISC Berhad	13 June 2023
	5. Energy Asia Conference: ASEAN Climate Finance for Developing Economies	PETRONAS	26-28 June 2023
	6. Climate Finance Summit 2023 – Net-Zero Malaysia Association Session: Lessons from the Net-Zero Economy	PERDANA Fellow Alumni Association	13 July 2023
	7. The Vienna Forum	BCG Consulting	22-24 September 2023
	8. PETRONAS Board Excellence: Continuous Education – Conflict of Interest	Group Legal, PETRONAS	27 October 2023
	9. Refresher of 5 CLAs for Board of Directors of KLCC Property Holdings Berhad	KLCC Property Holdings Berhad	14 August 2023
	10. Board Strategic Away Day Portfolio Review & Strategic Conversation	KLCC Property Holdings Berhad	6-7 September 2023
Wan Shamilah Wan Muhammad Saidi	1. PETRONAS Board Excellence: Sustainability 101 Programme	PETRONAS	25 May 2023
	2. MISC Directors' Training FY2023 <ul style="list-style-type: none">Carbon Capture, Utilisation and Storage: Market InsightsESG: Potential Disruptors to Maritime and ShippingEnergy Transition: Financing the Race to Net-ZeroArtificial Intelligence: Applications in the Shipping and Heavy Engineering Industries	MISC Berhad	13 June 2023
	3. Energy Asia Conference: ASEAN Climate Finance for Developing Economies	PETRONAS	26-28 June 2023
	4. MISC Market Outlook Series 23 – Global Oil and Tanker Market Outlook	Kpler/MISC Berhad	26 June 2023
	5. A Spark of Inspiration with Peter Bakker	(President & CEO of WBCSD) PETRONAS	27 June 2023
	6. MISC Market Outlook Series 23 – Technical Development of Vessels in the Era of Decarbonisation	Lloyd's Register/ MISC Berhad	28 June 2023
	7. Climate Finance Summit 2023 – Net-Zero Malaysia Association Session: Lessons from the Net-Zero Economy	PERDANA Fellow Alumni Association	13 July 2023
	8. Leaders Galvanising Change with Empathy	PETRONAS	18 July 2023
	9. MISC Directors' Training FY2023 <ul style="list-style-type: none">New Considerations for Risk Assessment in the Era of DecarbonisationRoadmap to Successful Mergers & Acquisitions Transaction in the Current MarketGlobal Minimum Tax: What it Means to Multi-National CorporationsAbatement Technologies: What's Available and What's Coming	MISC Berhad	11 September 2023
	10. Nature-Based Solutions: Unlocking Opportunities & Accelerating Actions	PETRONAS	6 November 2023

Corporate Governance Overview Statement

Name of Director	Training Attended	Presenter/Organiser	Date
Captain Rajalingam Subramaniam	1. Marine Money Singapore Ship Finance Forum	Marine Money	5 April 2023
	2. Singapore Maritime Week	Singapore Marine Port Authority	24-28 April 2023
	3. MISC Directors' Training FY2023 <ul style="list-style-type: none">Carbon Capture, Utilisation and Storage: Market InsightsESG: Potential Disruptors to Maritime and ShippingEnergy Transition: Financing the Race to Net-ZeroArtificial Intelligence: Applications in the Shipping and Heavy Engineering Industries	MISC Berhad	13 June 2023
	4. Malaysian Maritime Week	Malaysia Shipowners' Association (MASA)	20 June 2023
	5. Energy Asia 2023	International Conference & Exhibition Professionals	26-28 June 2023
	6. Clean Energy Ministerial (CEM)14/G20	International Chamber of Shipping	21 July 2023
	7. MISC Directors' Training FY2023 <ul style="list-style-type: none">New Considerations for Risk Assessment in the Era of DecarbonisationRoadmap to Successful Mergers & Acquisitions Transaction in the Current MarketGlobal Minimum Tax: What it Means to Multi-National CorporationsAbatement Technologies: What's Available and What's Coming	MISC Berhad	11 September 2023
	8. Forbes Global CEO Conference	Forbes Media	11-12 September 2023
	9. MISC Competition Law	E-Learning in TMS/ MISC Berhad	25 September 2023
	10. Global Maritime Forum	Global Maritime Forum	17 October 2023
	11. MISC HSSE Partners Summit 2023	MISC Berhad	7 December 2023
	12. COP28 - Shaping the Future of Shipping Forum	International Chamber of Shipping	9-10 December 2023

Corporate Governance Overview Statement

Sustainability

MISC’s sustainability governance is key to ensuring that sustainability principles are embedded into our business strategy, decision-making processes and operations. MISC’s Board of Directors sit at the apex of our sustainability governance structure and maintain strict oversight of the Group’s sustainability strategy and performance. The BSRC provides focused oversight on the effective implementation of the sustainability strategy. With regard to the sustainability agenda, the Board and BSRC are supported by the Management Committee (MC) and Sustainability Team.

➤ For more information on MISC’s sustainability initiatives in 2023, please refer to the MISC Sustainability Report 2023.

Ethics and Compliance

MISC observes its own Code of Conduct and Business Ethics (CoBE), including the Whistleblowing Policy and No Gift Policy. The CoBE is applicable to the Company, its Directors, employees and third parties performing work or services for and on behalf of the Company. It governs the desired standards of behaviour and ethical conduct expected from each individual to whom the CoBE applies. The MISC Anti-Bribery and Corruption Manual also serves to guide the Company in relation to such matters. Policies in relation to compliance to Critical Legal Areas (CLAs) are in place:

- Corporate Privacy Policy and its Master Guidelines
- Sanctions and Export Control Guidelines
- Competition Guidelines and its Protocols on Meetings & Information Sharing and Merger & Acquisition Transactions

A Whistleblowing structure to review and manage any whistleblowing reports is in place, which includes a whistleblowing policy and management process. The Board, through the BAC, reviews whistleblowing reports on a quarterly basis.

Appended below are MISC’s ethics and compliance initiatives in 2023:

Governance/Policies/Procedures

- Thirteen (13) Critical Legal Area (CLA) related Governance documents revised

New Procedures

- CoBE Country Supplements (Singapore, Brazil, Japan, United Kingdom, United States of America and China)

Revised Procedures

- CoBE
- CoBE Country Supplement (Malaysia)
- Anti-Bribery and Corruption Policy and Guidelines
- Anti-Bribery Management System Manual
- Competition Law Guidelines
- Sanctions and Export Control Guidelines
- Third Party Compliance Due Diligence Operational Guidelines

- MISC Berhad’s Regulatory & Legislation Register 2023 updated – newly identified applicable laws and regulations (Malaysia, Singapore, Brazil, Japan, Norway, United Kingdom, United States of America and International categories)
- Advisories and reviews of compliance clauses related to CLAs

Corporate Governance Overview Statement

Communication/Awareness/Training

- MACC Symposium with Malaysian Shipowners – Solidarity in the Maritime Industry: Fight Against Corruption

- Four (4) See.Speak.Support Awareness

- Human Rights Management: A Perspective of Community Wellbeing
- Upholding Business Integrity: A Perspective of Port Integrity from the MACN
- Social Media Responsibilities
- BRIBERY: Story Behind Bars

- Sixteen (16) bite-sized communications

- Three (3) CLA e-learning modules for employees and one (1) for Board Members

- Annual CoBE Training for Third Parties
- CoBE Refresher Training for MISC Board members and employees
- CoBE Trainings for new employees during HR onboarding programme
- Trainings on CLA (including e-learning modules)
- Anti-Bribery & Corruption Manual
- Third Party Compliance Due Diligence in MISC
- Sanctions
- Personal Data Protection
- Export Control
- Competition Law
- Human Rights Management

- Integrity Time-Out Sessions and Compliance/Integrity Moment Sharing Session initiatives endorsed

- Awareness campaign “See.Speak.Support” Rebranding

Monitoring & Assurance

- 100% compliance in CLA Functional Checklist
- ISO 37001:2016 Anti-Bribery Management System Certification for MISC Group with ALAM being the latest to obtain certification
- Consolidated Bribery and Corruption Risk Assessment for MISC Group
- Conflict of Interest Management
- Management of Whistleblowing cases
- Monitoring status of compliance to the relevant laws and regulations as part of MISC’s Enterprise Risk Management (ERM) under Legal, Corporate Secretarial and Compliance Risk Event: Compliance to Rules, Regulation and Governance
- Third Party Risk Management – Compliance due diligence on third parties
- Quarterly reporting to BSRC and BAC, Digitalisation of Compliance Monitoring and Assurance Activities

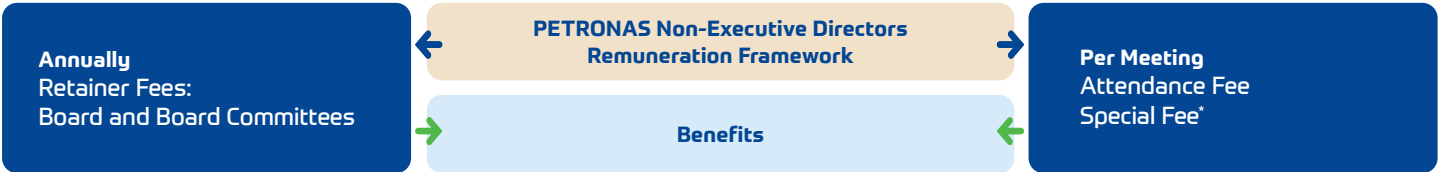
➤ For more information on MISC’s ethics and compliance initiatives in 2023, please refer to the MISC Sustainability Report 2023, the BAC Report and BSRC Report on pages 172 to 184 of this Integrated Annual Report.

➤ For more information on MISC’s CoBE and other CLA related governance documents please visit www.miscgroup.com

Corporate Governance Overview Statement

Directors’ Remuneration

The Company aims to set remuneration for Directors at levels which are sufficient to attract and retain persons of calibre to guide the Group, taking into consideration the workload and responsibilities involved. The level of remuneration for Non-Executive Directors reflects the level of responsibilities undertaken and contributions made by them. MISC’s policy for remunerating its Directors is based on the PETRONAS Public Listed Companies Non-Executive Directors’ Guidelines and Remuneration Package. The fee framework is illustrated below:



* Only for eligible Non-Executive Directors

Fees in respect of the Non-Independent Non-Executive Directors (NINEDs) are paid directly to PETRONAS instead of the individual Directors.

For the financial year ended 31 December 2023, details of the Directors’ remuneration (excluding the President/Group CEO) are as follows:

Name of Director	Directors' Fees		Benefits-in-Kind (RM)	Total (RM)
	(Inclusive of Annual Fees and Meeting Allowance)			
	By MISC (RM)	By Subsidiaries (RM)		
Datuk Abu Huraira Abu Yazid	275,000.00	81,000.00	33,319.89	389,319.89
Chew Liong Kim	172,500.00	-	4,380.96	176,880.96
Datin Norazah Mohamed Razali	193,500.00	-	6,000.00	199,500.00
Dato' Tengku Marina Tunku Annuar	179,500.00	-	3,773.95	183,273.95
Mohammad Suhaimi Mohd Yasin	172,500.00	57,290.36	6,000.00	235,790.36
*Liza Mustapha	155,000.00	-	-	155,000.00
*Wan Shamilah Wan Muhammad Saidi	165,500.00	-	-	165,500.00
#Dato' Sekhar Krishnan	190,000.00	-	4,280.29	194,280.29
#Dato' Ab. Halim Mohyiddin	190,000.00	-	1,153.00	191,153.00
^Datuk Nasarudin Md Idris	129,000.00	439,464.00	6,000.00	574,464.00
^Dato' Rozalila Abdul Rahman	115,000.00	-	4,357.28	119,357.28
Total	1,937,500.00	577,754.36	69,265.37	2,584,519.73

* Fees paid to PETRONAS

Retired as Independent Non-Executive Director of MISC on 15 January 2024

^ Retired as Independent Non-Executive Director of MISC on 1 September 2023

During the year under review, the President/Group CEO of MISC, Captain Rajalingam Subramaniam, received a total remuneration of RM2,899,375.00 in salary, other emoluments and benefits-in-kind. As an Executive Director, the President/Group CEO is not entitled to Directors’ fees nor any meeting attendance allowance.

➞ For more information on the remuneration structure for MISC’s Directors, please refer to the BNRC Report on pages 165 to 171 of this Integrated Annual Report.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Board Audit Committee (BAC)

The BAC was established with the objective of assisting the Board in fulfilling its responsibilities primarily relating to financial management, financial accounting and internal control systems of the Group. The BAC also monitors the whistleblowing management process and assesses the suitability, objectivity and independence of both the external and internal audit functions, including the performance evaluation and remuneration of the Head of Group Internal Audit (GIA) in consultation with the President/Group CEO. All members of the BAC are financially literate, competent and are able to scrutinise the Company’s financial reporting process, transactions and financial information.

➞ For more information on the BAC and how it has met its responsibilities in 2023, please refer to the BAC Report on pages 172 to 180 of this Integrated Annual Report.

Board Sustainability & Risk Committee (BSRC)

The BSRC was established to serve as a sounding board to Management and to perform deep dives into and challenge on risk matters. In addition to matters pertaining to risk management, the scope of the BSRC also encompasses sustainability, governance, compliance and ethics and health, safety, security and environment (HSSE).

➞ For more information on the BSRC and how it has met its responsibilities in 2023, please refer to the BSRC Report on pages 181 to 184 of this Integrated Annual Report.

Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for continuous maintenance of a sound risk management framework and internal control to safeguard shareholders’ investment and the Group’s assets. Over and above the quarterly review by the BSRC on risk events, relevant risk appetite and mitigation measures at the enterprise level, the Board reviews the status of risk management activities and the updated Risk Register. The Board also ensures that all relevant project and investment risks, including the mitigation measures, are deliberated when making such decisions. Such Project Risk Assessments encompass, amongst others, project execution risks, contract management risks, counter-party risks, operations risks, country risks and financial risks.

When reviewing the adequacy and integrity of the Company’s internal control systems, the Board (via the BAC) reviewed the reports on Related Party Transactions, Conflict of Interest oversight, Whistleblowing cases and enhanced management processes thereof and improvements to internal controls as highlighted by GIA.

➞ For more information on MISC’s risk management and internal control frameworks, please refer to the BAC Report on pages 172 to 180 of this Integrated Annual Report, the BSRC Report on pages 181 to 184 of this Integrated Annual Report, as well as the Statement on Risk Management and Internal Control on pages 185 to 198 of this Integrated Annual Report.

Corporate Governance Overview Statement

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

Investor Relations and Engagement with Stakeholders

The Board values its dialogue with the investing community, including both the institutional shareholders and private investors, to enhance investors’ understanding of the Group. MISC aims to continuously build and maintain transparent communication with the shareholders, potential investors and the investing community. Through the MISC Group Investor Relations programme, MISC is committed to uphold best practices in CG and ensure timely and equal dissemination of material information to its stakeholders.

In 2023, MISC used the following channels/forums to communicate and engage with its stakeholders:

- MISC Annual General Meeting
 - Quarterly financial reports
 - MISC Integrated Annual Report
 - Announcements on major developments to Bursa Securities
 - MISC website at www.miscgroup.com
- Analyst briefings following the announcement of quarterly financial reports
 - Site visits
 - Industry forums/conferences
 - Investing in community engagement programs and initiatives

➤ For more information on MISC’s engagement with stakeholders in 2023, please refer to the MISC Sustainability Report 2023.

Integrated Reporting

MISC has adopted integrated reporting based on a globally recognised framework with a view of helping our stakeholders understand how MISC creates value and to promote greater transparency and accountability on the part of the Company, in line with the MCCG. The adoption of integrated reporting has been implemented on staggered basis since 2017 and the MISC Integrated Annual Report 2020 was our first integrated report. The MISC Integrated Annual Report 2023 is based on the <IR> Framework 2021.

Conduct of Annual General Meeting (AGM)

The MISC AGM is the principal forum for dialogue and an avenue for the Chairman and Board members to interact with the shareholders. The Chairman plays a pivotal role in accommodating constructive dialogue between shareholders and the Board. The shareholders are strongly encouraged to attend, participate, speak and vote at the Company’s AGM and all queries posed to the Board prior to and during the AGM are responded to accordingly.

Since 2020, MISC has hosted its AGMs virtually, leveraging on technology to facilitate voting in absentia and remote shareholders’ participation at the AGM. The following are some of the measures taken by MISC to encourage attendance and participation from the shareholders at the virtual AGM:

- Comprehensive Administrative Notes were circulated to shareholders to facilitate remote participation and e-Voting, including a dedicated contact number and e-mail address for any requests for technical assistance to participate in the AGM;
- Electronic lodgement of Proxy Forms was enabled;
- The AGM proceedings was broadcasted live via a web portal and mobile application;
- Questions raised by the Minority Shareholders Watch Group (MSWG) prior to the AGM were shared with the shareholders during the AGM proceedings together with the Company’s responses thereto;
- Electronic submission of questions by shareholders either via e-mail prior to the AGM proceedings, or via the virtual AGM platform during the AGM Proceedings was enabled;
- The President/Group CEO presented highlights of MISC Group’s performance at the AGM;
- During the AGM proceedings, questions from shareholders were displayed via the virtual AGM platform as the Board Chairman and/or President/Group CEO addressed them; and
- After the AGM, the list of questions and answers are published on MISC’s website at www.miscgroup.com.

The AGM is scheduled in advance of any new financial year to facilitate Board members to plan and fit the year’s AGM into their schedules. In 2023, all Board members attended the AGM. The Notice of AGM is issued at least 28 days prior to the AGM, as recommended by the MCCG. Voting at the AGM is conducted via electronic polling, in compliance with the MMLR. The polling process is explained clearly during the AGM to ensure a smooth and pleasant voting experience by the shareholder. Poll results are verified by appointed scrutineers prior to the Chairman’s announcement of the outcome. The AGM Minutes is published on the Company’s website within 30 days after the AGM.

This CG Overview Statement is made in accordance with the resolution of the Board of Directors passed on 26 February 2024.

Board Nomination & Remuneration Committee Report



DATO’ TENGKU MARINA TUNKU ANNUAR
Chairperson
Board Nomination & Remuneration Committee

The Board had during the year 2023 approved the previously named Nomination & Remuneration Committee to the Board Nomination & Remuneration Committee (BNRC). The change of name which took effect on 1 May 2023 is to align with the naming convention for MISC Board Committees.

MISC Group has demonstrated its resilience in sustaining its long-term growth trajectory notwithstanding a challenging global economic landscape. Our Group’s continued success is very much dependant on a dynamic approach towards human capital governance. As I take over the role as the new Chairperson of the BNRC, I am deeply honoured to lead a committee that plays a strategic role in steering the Group’s talent management and performance strategies, in ensuring that our talent pool is robust, diverse and aligned with our corporate vision.

Enhancing Board Dynamics

Following the insightful Board Effectiveness Evaluation (BEE) conducted in 2022, the BNRC embarked on a path of developing comprehensive plans, designed to elevate the Board’s overall effectiveness. The insights gained from the BEE were invaluable, as it guided us in formulating plans to facilitate more Board discussions on strategies that are not only responsive but also proactive in addressing future challenges. To ensure the continuity of this journey of transformation, succession planning at the Board is important.

Fostering Talent and Institutionalising Sustainable Leadership

In line with our transformative journey, the BNRC’s focus in 2023 has been on nurturing the strength and potential of our employees. By endorsing key contract appointments and renewals, we have reaffirmed our commitment to talent and leadership development. Our efforts in assessing and enhancing the training needs of our Group Directors are aimed at enriching their expertise and leadership acumen.

Further to this, the introduction of the Special Recognition Reward in 2023 stands as a testament to our appreciation of the exceptional contributions of our employees. Coupled with the insights from our review of the Senior Management Rewards Framework, conducted with an independent consultant, we are shaping a remuneration system that aligns with the core values, strategic objectives and long-term interests of the Group. This initiative is a crucial element in our journey towards sustainable leadership strategy to retain high-performing talent, aligning their long-term goals with MISC’s overarching transformation objectives.

Charting a Course for the Future

Looking ahead, we maintain constant oversight of the skills, knowledge, experience and diversity of our employees, ensuring alignment with Diversity, Equity and Inclusion (DEI) principles. Our commitment to training and development underscores our dedication to fostering a culture of continuous improvement and excellence.

In closing, I extend my heartfelt gratitude to Datuk Nasarudin Md Idris and Dato’ Rozalila Abdul Rahman for their invaluable contributions and steadfast leadership during their tenure. Their legacy of excellence has set a high bar for the BNRC. I also warmly welcome Cik Wan Shamilah Wan Muhammad Saidi, who joined the BNRC on 1 May 2023, bringing fresh perspectives and insights that will undoubtedly enrich our committee.

I am confident that the BNRC will continue building a culture that not only respects MISC’s rich legacy but also embraces the dynamic opportunities of our evolving business landscape.

Board Nomination & Remuneration Committee Report

Dear Shareholders,

On 1 January 2023, the Nomination Committee and Remuneration Committee were combined to form the Nomination and Remuneration Committee (NRC). Subsequently, the Committee was renamed as Board Nomination & Remuneration Committee (BNRC) effective 1 May 2023.

Composition and Meeting Attendance

The BNRC comprises three (3) members, all of whom are Non-Executive and majority of whom are Independent Directors, which complies with the requirements of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities).

The composition of the BNRC is as follows:

Members	Date of Appointment as BNRC Member
DATO’ TENGKU MARINA TUNKU ANNUAR <i>Chairperson</i> <i>Independent Non-Executive Director</i>	1 September 2023
DATIN NORAZAH MOHAMED RAZALI <i>Member</i> <i>Independent Non-Executive Director</i>	1 January 2022
WAN SHAMILAH WAN MUHAMMAD SAIDI <i>Member</i> <i>Non-Independent Non-Executive Director</i>	1 May 2023

⁽¹⁾ Datuk Nasarudin Md Idris retired as Independent Non-Executive Director of MISC and ceased being Chairman of the BNRC on 1 September 2023.
⁽²⁾ Dato’ Rozaila Abdul Rahman retired as Independent Non-Executive Director of MISC and ceased being a Member of the BNRC on 1 September 2023.

The BNRC met six (6) times in 2023 and all meetings were attended by the duly appointed Chairman/Chairperson and BNRC Members during their tenure.

The President/Group CEO attends the BNRC meetings to facilitate discussions, as well as to provide the appropriate information and advice on relevant matters for the BNRC.

BNRC meetings together with the tentative agendas are scheduled in advance of any new financial year to allow the BNRC members to plan ahead and incorporate the year’s meetings into their respective schedules. The agenda and meeting papers are distributed to the BNRC members via a secured collaborative software, which eases the process of distribution of meeting papers and minimises leakage of sensitive information, as well as enabling the Directors to have full and timely access to the papers electronically at any given time. This practice is also consistent with the Board’s and Company’s commitment to sustainable practices.

All proceedings of the BNRC meetings are duly recorded in the minutes and are properly kept by the Company Secretary.

Terms of Reference

The BNRC is governed by its own Terms of Reference (TOR), which is consistent with the requirements of the MMLR and best practices of the Malaysian Code on Corporate Governance 2021 (MCCG).

For more information on the BNRC’s TOR, please refer to MISC’s corporate website at www.miscgroup.com

Board Nomination & Remuneration Committee Report

Overview of matters addressed at BNRC meetings in 2023

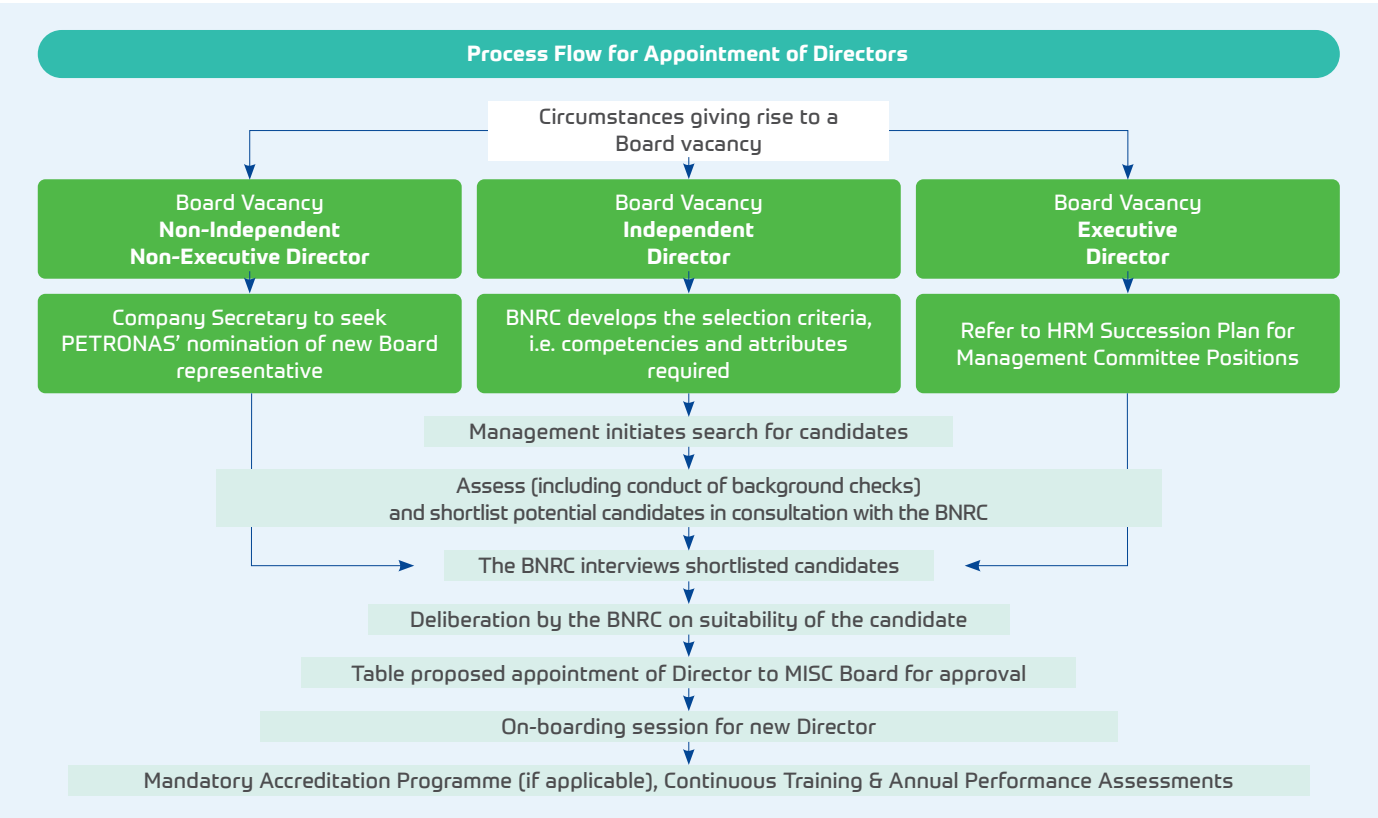
Half-yearly	Annually
<ul style="list-style-type: none">Updates on Human Resource Dashboard for sea and shore staffMISC Group Balanced Scorecard mid-year review	<ul style="list-style-type: none">Annual succession planning for MISC Group (Board and Senior Management)Focused review of the Board and Board Committees’ composition and diversityProposed MISC Group Balanced ScorecardProposed Board Key Performance Indicators (KPIs)
Special	
<ul style="list-style-type: none">Proposed contract renewal and/or appointment of Management Committee (MC) membersImplementation of comprehensive improvement plans following the independent Board Effectiveness Evaluation performed in 2022	<ul style="list-style-type: none">MISC Group Balanced Scorecard resultsProposed remuneration plans for the MISC GroupProposed re-election of Directors at the AGMContent of the Integrated Annual ReportProposed topics for Directors’ trainings <ul style="list-style-type: none">Proposed Senior Management Rewards FrameworkEnhancement of rewards strategy for employees

Functions of the BNRC and related activities in 2023

i. Board Membership – Appointment/Re-election of Directors and Succession Planning

The BNRC has the responsibility of ensuring appropriate succession planning of Directors and reviewing the Board’s required mix of skills and experience, which includes reviewing the tenure of Independent Directors on the Board and proposals for re-appointment or re-election. With a sound succession plan in place, the BNRC was able to make positive progress in ensuring seamless reorganisation of the composition of the Board Committees following the retirement of four (4) Independent Non-Executive Directors (INEDs).

The nomination of new Board members adheres to the following appointment process:



Board Nomination & Remuneration Committee Report

In sourcing for suitable candidates, the Company utilises a variety of approaches and sources, including referrals from existing Board members and independent search firms. The nomination of Non-Independent Non-Executive Directors (NINEDs) to the Board is made by PETRONAS, being the majority shareholder of the Company.

The potential candidates to assume the role of INEDs are first tabled to the BNRC for consideration and evaluated based on merit as well as suitability with the Company's objectives and required attributes. Pursuant to the MISC Directors' Fit and Proper Policy, all Board members are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner. Prior to the initial appointment or proposed re-election/re-appointment of a director, the individual concerned is required to complete a Directors' Fit and Proper Declaration Form, which sets out the following overarching criteria: (a) Character and Integrity; (b) Experience and Competence; and (c) Time and Commitment. Diversity in terms of age, gender and ethnicity is also considered during the selection process.

➞ For more information on the MISC Directors' Fit and Proper Policy, please refer to MISC's corporate website at www.miscgroup.com

The BNRC is also responsible for recommending to the Board, Directors who are standing for re-appointment or re-election at the Annual General Meeting (AGM) pursuant to Rule 21.8 of MISC's Constitution. At the forthcoming 55th AGM of the Company, the following Directors will be retiring from the Board and being eligible, have offered themselves for re-election:

Directors retiring pursuant to Rule 21.8

- Datuk Abu Huraira Abu Yazid
 - Dato' Tengku Marina Tunku Annuar
- Chew Liong Kim

Based on the latest Board performance evaluation and the BNRC's review of the respective Directors' Fit and Proper Declaration Forms, the BNRC is satisfied with the performance of the abovementioned Directors and agreed to endorse their proposed re-elections and recommended the same to the Board for further endorsement and recommendation to the shareholders for approval at the forthcoming AGM. Dato' Tengku Marina Tunku Annuar abstained from deliberation and voting in respect of her re-election.

In line with the MCCG, the Board Charter includes a policy which limits the tenure of INEDs to nine (9) years (without further extension) as well as the Board Diversity Policy. There are currently four (4) female directors in the Company which equates to 50% of the overall Board composition.

➞ For more information on the MISC Board Charter and Board Diversity Policy, please visit www.miscgroup.com

ii. Board Performance Evaluation – Board, Board Committees and Individual Directors' Assessment

The performance of the Board and the Board Committees is tracked annually against the Board KPIs, using a Performance Evaluation Sheet as a tool. The Board KPIs focus on achievements based on three (3) criteria, i.e. Board Structure, Board Operations and Board Roles & Responsibilities. Each Director is required to give Rating '1' for Best Practice, Rating '2' for Meets Requirement or Rating '3' for Areas of Improvement. The final ratings are then reviewed by the BNRC and the Board. The Board evaluation process and the Board Committees' assessment for FY2023 was performed through self-assessment and peer review based on the following areas:

Board Performance Evaluation	Board and Board Committees Structure <ul style="list-style-type: none">CompositionOrientation, training and developmentEvaluation of the Board Audit Committee (BAC), Board Nomination & Remuneration Committee (BNRC) and Board Sustainability & Risk Committee
	Board Operations <ul style="list-style-type: none">TimelinessAdequacy of informationAccess to Management
	Board Roles and Responsibilities <ul style="list-style-type: none">Strategic visionSuccession planningRisk management and internal controlsInvestor relations
Board Committees Performance Evaluation	<ul style="list-style-type: none">EffectivenessDischarge of functions, duties and responsibilities in accordance with the TORs.

Board Nomination & Remuneration Committee Report

The BNRC also completed the Individual Directors Performance Assessment (IDPA) for self and peer assessment, which focused on the following areas:

- (i)

Fit and proper;
- (ii)

Contribution and performance; and
- (iii)

Calibre and personality.

There were no adverse findings arising from the Board performance evaluation and IDPA for FY2023.

iii. Senior Management - Appointment and Succession Planning

The BNRC is tasked with making appropriate recommendations to the Board for the appointment or renewal of contracts of employment of the President/Group CEO and MC members of the Company, taking into account the strategy and long-term succession planning of the MC composition.

During the year under review, having conducted all relevant reviews and assessments, the BNRC deliberated and recommended the following changes to the MC composition:

Zahid Osman	Appointment as President/CEO of AET Pte. Ltd.
Captain Raja Sager Muniandy	Re-appointment as Vice President, Group Health, Safety, Security & Environment
Afendy Mohamed Ali	Appointment as Vice President, Group Finance
Raja Azlan Shah Raja Azwa	Appointment as Vice President, Corporate Planning

The BNRC also has the responsibility of ensuring appropriate succession planning for MC members. Below is a brief illustration of the succession planning approach and process adopted by the MISC Group:

1. Identification of critical positions within the Group based on three criteria	<ul style="list-style-type: none">Impact on business resultsSustaining the businessUniqueness of positions
2. Identification of potential successors from pool of staff at General Manager and Senior Manager levels, nominated and assessed by the Leadership Team based on four criteria	<ul style="list-style-type: none">Achievement: Sustainability of performanceAbility: Competence to deliver successfullyAgility: Traits and values which help adaptabilityAspiration: Passion, tenacity and commitment for self and the organisation
3. Deliberation and identification of successors of the MC based on three criteria, followed by mapping of shortlisted individuals to a maximum of three critical positions and rating of readiness levels: R1-Ready now R2-Ready within 12 months R3-Ready between 12 and 24 months R4-Ready within 36 months	<ul style="list-style-type: none">Capabilities: Leadership and functional competenciesContribution: Results orientation based on performance ratings and key highlights during the yearCultural Fit: Demonstration of cultural beliefs and own career and personal aspirations
4. Formulation of an Individual Development Plan for each individual	

Board Nomination & Remuneration Committee Report

iv. Directors’ and Senior Management Remuneration

The Company’s policy for remunerating its Directors is based on the PETRONAS Public Listed Companies Non-Executive Directors’ Guidelines and Remuneration Package. The fee structure of NEDs of MISC is as follows:

Members	Monthly fees	Meeting allowance per attendance			
		Board	Board Audit Committee	Board Nomination & Remuneration Committee	Board Sustainability & Risk Committee
Chairman	RM20,000	RM3,500	RM3,500	RM3,500	RM3,500
Member	RM10,000				

INEDs are entitled to fuel allowance of RM6,000 per annum and Directors’ and Officers’ Insurance coverage of up to RM1.29 billion per occurrence and in the aggregate. The Chairman is also entitled to a company car and driver allowance of RM28,450 per annum.

The fees and allowances for NEDs are determined by the Board and are subject to the approval of the shareholders of MISC. The breakdown of the detailed Directors’ fees paid during the year under review is disclosed in the Corporate Governance Overview Statement on pages 146 to 164 of this Integrated Annual Report.

The Directors’ fees and meeting allowances for NINEDs, who are employees of PETRONAS, are paid directly to PETRONAS. The presence and participation of the NINEDs, who are employees of PETRONAS, give the Board a deeper insight into PETRONAS’ operations and direction.

The remuneration package for the Executive Director of MISC is balanced between fixed and performance-linked elements. A portion of the Executive Director’s remuneration package is variable in nature and is KPI-based, which includes the Group’s performance. An Executive Director is not entitled to receive Directors’ fees or meeting allowance.

v. Company and President/Group CEO Performance Appraisal

The Company’s performance against the FY2023 Balanced Scorecard was deliberated by the BNRC. The performance appraisal covered the following scorecard dimensions, whereby specific ratings were given to each dimension based on “Minimum”, “Base” or “Stretch” achievements:

- Financials
- Strategic Initiatives
- Operations
- HSSE
- People Development and Ethics

Based on the Company’s performance against the FY2023 Balanced Scorecard, the BNRC also deliberated on the individual performance of the President/Group CEO of the Company for FY2023 and made the appropriate recommendations to the Board for approval.

Board Nomination & Remuneration Committee Report

SUMMARY OF THE BNRC’S WORK IN 2023

Board Membership

- Considered matters relating to the retirement of Directors.
- Recommended the Directors who are eligible for re-election and re-appointment at the AGM.

Succession Planning

- Reviewed the MISC Board and Board Committees’ composition.
- Received updates on succession planning for MC Positions and critical positions.
- Endorsed changes to the MC positions.

Performance Management

- Reviewed and endorsed the Group’s FY2022 Balanced Scorecard results.
- Reviewed and endorsed the proposed performance bonus for Appraisal Year 2022.
- Reviewed and endorsed the Group’s FY2024 Balanced Scorecard.
- Reviewed and endorsed Special Recognition Rewards.
- Reviewed and endorsed Senior Management Remuneration Framework.
- Reviewed and endorsed the salary structures for MISC Berhad Executives.

Board Performance Evaluation

- Implementation of comprehensive improvement plans following the independent Board Effectiveness Evaluation.
- Reviewed and endorsed the Board KPIs for FY2024.

Training and Development

- Reviewed and endorsed topics for the bi-annual MISC Group Directors’ Trainings in FY2023.

Annual Reporting

- Reviewed and endorsed the disclosures in the BNRC Report for the 2022 Integrated Annual Report.

DATO’ TENGKU MARINA TUNKU ANNUAR

Chairperson

Board Nomination & Remuneration Committee

Board Audit Committee Report

Board Audit Committee Report



CHEW LIONG KIM
Chairman
Board Audit Committee

I am privileged to assume the role of Chairman of MISC’s Board Audit Committee (BAC), succeeding the esteemed Dato’ Sekhar Krishnan. The transition period has provided invaluable insights, thanks to the unwavering support of Dato’ Sekhar Krishnan and the collective dedication of the BAC. With a robust foundation in place, I am pleased to present my inaugural report as BAC Chairman.

● **Strong Governance & Internal Controls**

Beyond routine oversight, the BAC plays a key role in enhancing MISC’s internal controls and corporate governance, with a focus on integrity. In 2023, the BAC strengthened MISC’s governance and internal controls. The Group Internal Audit (GIA) leveraged technology for improved oversight, increasing policy integrity and operational efficiency. We also enhanced the governance framework within the Procurement segment to improve competitiveness.

To further strengthen our governance, the BAC revised the Policy on External Auditors in 2023, prohibiting all MISC Group subsidiaries from appointing their statutory auditors for prohibited non-audit services. Furthermore, it now requires external auditors to obtain BAC’s prior approval before offering non-audit services, unless already approved as non-threatening to auditor independence. This enhances the integrity and independence of our audit processes.

● **Navigating Regulatory Changes**

To maintain a strong culture of compliance amidst a dynamic landscape, the BAC continued to maintain diligent oversight of market changes and regulatory standards. In response to the evolving tax regulations with the introduction of the Global Minimum Tax from 1 January 2025 and the Malaysian Budget 2024 tax proposals, we took proactive measures to ensure we remained in compliance with regulatory shifts.

● **The Year Ahead**

In 2024, the BAC is ready to address new challenges and opportunities by adapting to evolving disclosure requirements and regulatory changes while sustaining industry leadership. We will continue to provide effective oversight of financial statements and audits and closely monitor internal controls to safeguard MISC’s interests.

On behalf of the BAC, I would like to extend our appreciation to Dato’ Sekhar Krishnan, Datuk Nasarudin Md Idris and Dato’ Ab. Halim Mohyiddin for their invaluable contributions to advancing our governance standards. I would also like to take this opportunity to welcome Encik Mohammad Suhaimi Mohd Yasin and Cik Wan Shamilah Wan Muhammad Saidi, who joined the BAC on 15 January 2024.

Dear Shareholders,

The Board Audit Committee (BAC) was established with the objective of assisting the Board in an oversight role to help ensure effective financial management, financial accounting, internal control systems, whistleblowing policy and management process of the Group.

Composition and Meeting Attendance

The BAC comprises of three (3) members, majority of whom are Independent Non-Executive Directors (INEDs) of the Company. The current composition of the BAC and qualifications of its members comply with Paragraph 15.09(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) which requires at least one (1) member of the BAC to be a qualified accountant.

The composition of the BAC is as follows:

Members	Date of Appointment as BAC Member
CHEW LIONG KIM <i>Chairman</i> <i>Senior Independent Non-Executive Director</i>	1 January 2022 (Re-designated as Chairman on 15 January 2024)
MOHAMMAD SUHAIMI MOHD YASIN <i>Member</i> <i>Independent Non-Executive Director</i>	15 January 2024
WAN SHAMILAH WAN MUHAMMAD SAIDI <i>Member</i> <i>Non-Independent Non-Executive Director</i>	15 January 2024

⁽¹⁾ Dato’ Sekhar Krishnan retired as Senior Independent Non-Executive Director of MISC and ceased being a member of the BAC on 15 January 2024.

⁽²⁾ Dato’ Ab. Halim Mohyiddin retired as Independent Non-Executive Director of MISC and ceased being a member of the BAC on 15 January 2024.

⁽³⁾ Datuk Nasarudin Md Idris retired as Independent Non-Executive Director of MISC and ceased being a member of the BAC on 1 September 2023.

The BAC Chairman, Chew Liong Kim and Wan Shamilah Wan Muhammad Saidi are qualified accountants. Chew Liong Kim, is a member of the Malaysian Institute of Accountants (MIA) and a Fellow Chartered Accountant (FCA) of the Chartered Accountants Australia and New Zealand. Wan Shamilah Wan Muhammad Saidi is a Fellow of Institute of Chartered Accountants in England & Wales and a member of MIA.

The BAC met five (5) times in FY2023. The BAC Chairmen and all BAC members attended all meetings during their tenure in office.

The President/Group CEO is invited to attend the BAC meetings to facilitate discussions, as well as to provide explanation on audit issues, financials, internal controls as well as other matters within the BAC’s TOR. The Group Chief Audit Executive, Group Internal Audit (GIA) of PETRONAS or her representative and the Head, GIA of MISC are also invited to the BAC meetings, together with the relevant management personnel, to observe the proceedings and provide clarification on any relevant internal audit reports tabled to the BAC. The external auditors are invited to present their audit plan, audit results and other relevant matters.

The BAC meetings for the year under review were pre-scheduled in December 2022 to allow BAC members to plan ahead and incorporate the year’s meetings into their respective schedules.

Board Audit Committee Report

The agenda and meeting papers are distributed to the BAC members via a secured collaborative software, which eases the process of distribution of meeting papers and minimises leakage of sensitive information, as well as enabling the BAC members to have access to the papers electronically. This practice also ensures consistency with the Board’s and Company’s commitment to sustainable practices.

For the management of conflicts of interest, BAC members are required to declare interests that they may have in the subject matters arising during meetings. BAC member who has conflicts of interest will be excluded from deliberations and decision-making in such matters and will also abstain from voting on the related resolutions at the meeting.

All proceedings of the BAC meetings are duly recorded in the minutes and are properly kept by the Company Secretary.

Terms of Reference

The BAC is governed by its own Terms of Reference (TOR), which is consistent with the requirements of the MMLR and best practices of the MCCG.

➦ For more information on the BAC’s TOR, please refer to MISC’s corporate website at www.miscgroup.com

Overview of matters addressed at BAC meetings in 2023

Quarterly

- Unaudited quarterly financial results
- GIA reports
- GIA quarterly audit status (closure) reports
- Related party & recurrent related party transactions
- Whistleblowing updates
- Summary of special engagements performed by GIA

Half-yearly

- Private sessions with the external auditors
- Group Health, Safety, Security and Environment (GHSSE) audit and assurance reports
- GIA performance review

Annually

- External audit plan
- External audit results
- Audited financial statements
- Assessment of external auditors
- GIA audit plan
- GHSSE audit and assurance plan
- Content of the Integrated Annual Report

Board Audit Committee Report

SUMMARY OF THE BAC’S WORK IN 2023

Appended below is a summary of the BAC’s work in 2023, in discharging its functions and duties:

Financial Reporting

- Reviewed and endorsed the quarterly financial results for announcement to Bursa Securities before recommending the same for Board’s approval upon being satisfied that it has complied with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), MMLR and other relevant regulatory requirements.
- Reviewed the audited financial statements of the Company and the Group prior to submission to the Board for the Board’s consideration and approval, upon being satisfied that the audited financial statements were drawn up in accordance with the MFRS, IFRS, MMLR and Companies Act 2016.

The abovementioned reviews were conducted together with the President/Group CEO and Vice President, Group Finance.

Internal Audit

- Reviewed and endorsed internal audit reports issued by GIA based on the approved Annual Internal Audit Plan (AIAP).
- Reviewed and endorsed the adequacy and effectiveness of action plans provided by Management on the deliberated audit reports.
- Reviewed and endorsed GIA’s AIAP for FY2024, as guided by the approved Enhanced Risk-Based Internal Audit Framework of MISC, in order to ensure adequacy of coverage on auditable entities.
- Reviewed the adequacy of resources and competencies of GIA’s staff to execute the audit plan.
- Reviewed GIA’s half-yearly and yearly performance status of the approved audit plan, strategic initiatives and other GIA activities.
- Conducted the yearly assessments of GIA’s performance.
- Reviewed and endorsed the appointment of the new Head of GIA.

Prior to BAC meetings, the Chairman of the BAC held private meetings and discussions with the Head and Principal Auditors of GIA on internal audit reports and any related matters.

External Audit

- Reviewed and endorsed the external auditors’ terms of engagement, audit plan, scope and proposed fees for FY2023.
- Reviewed the results and issues arising from the external auditors’ audit, including the key audit matters and the resolution of issues highlighted in the external auditors’ report to the BAC and Management’s responses thereto.
- The BAC had two (2) private meetings with the external auditors without the presence of Management during the year under review (i.e. on 10 February 2023 and 16 November 2023) to discuss any matters the external auditors may wish to present and to ensure that there were no restrictions in the scope and discharge of their audit activities.
- Reviewed and recommended the external auditors’ re-appointment to the Board to be proposed for shareholders’ approval at the AGM.
- Reviewed and endorsed the questionnaire and evaluation forms for the Assessment of External Auditors.
- Reviewed and endorsed the updates to the Policy on External Auditors.

Board Audit Committee Report

Board Audit Committee Report

SUMMARY OF THE BAC’S WORK IN 2023 (CONT’D)

To ensure that the external auditors’ independence is not impaired, the Audit Engagement Partner in charge of the Company is changed every seven (7) years and is required to observe a cooling-off period of five (5) years before being re-appointed, which is in line with the recommendation by the MIA. Internally, the external auditors conduct an Independent Partner Review in order to preserve their independence. The external auditors had also provided written assurance to the BAC that, in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement.

In line with the Company’s adoption of the Policy on External Auditors, the BAC had carried out an assessment on the performance, suitability and independence of the external auditors based on the following criteria and will continue to do so on an annual basis:

- Quality of engagement team (including adequacy of resources);
- Quality of communication and interaction; and
- Independence, objectivity and professional scepticism.

Tax

- Deliberated the status updates on the implementation of Global Minimum Tax.
- Deliberated tax developments affecting the business and operations of the Group.

Corporate Governance and Regulatory Compliance

- Reviewed and deliberated the reports on Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs) on a quarterly basis.
- Reviewed and recommended to the Board the Statement on Risk Management and Internal Control (SORMIC) (particularly items relating to internal controls), BAC Report and Additional Compliance Information for inclusion in the Integrated Annual Report 2022.
- Reviewed the minutes of meetings of the Board Audit Committee of Malaysia Marine and Heavy Engineering Holdings Berhad and the Audit and Risk Management Committee (ARMC) of AET Pte. Ltd. for an overview of the state of internal control systems of those subsidiaries.
- Reviewed the Directors’ Conflict of Interest report for the Group.
- Reviewed the Whistleblowing quarterly reports of the Company.
- Reviewed the GHSSE Audit and Assurance Bi-Annual Reports focusing on the efficiency and effectiveness of the maintenance of the Group’s vessels and floating assets.
- Reviewed and endorsed the GHSSE Annual Audit and Assurance Plan for FY2024.
- Reviewed the governance aspect of the procurement transformation plan including the adequacy and effectiveness of the internal controls arising from the implementation of a digital platform for procurement activities.

STATEMENT ON INTERNAL AUDIT FUNCTION

The internal audit function of the Company was carried out in-house by the GIA. GIA undertakes a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes within its scope.

The Head of GIA reports functionally to the BAC and administratively to the President/Group CEO of MISC. There was a change in Head of GIA during the financial year under review. Izran Kassim was appointed as the Head of GIA effective 1 July 2023. He is an Associate Member of the Chartered Institute of Management Accountants (CIMA), a member of MIA and holds a Bachelor of Economics (Honours) from the University of Manchester, UK.

GIA adopts the standards and principles outlined in the Institute of Internal Auditors’ International Professional Practices Framework (IPPF) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework; a comprehensive, structured and widely used auditing approach, in conducting the audit activities. The conduct of internal audit work is also governed by the MISC Internal Audit Charter and GIA’s established procedures and guidelines.

The annual audit plan and strategy including the scope of works and resources are approved by the BAC. The audit plan is established primarily using a risk-based approach as well as input gathered from various sources, including feedback from Management and the BAC as well as trends and findings from past audit engagements.

GIA conducts scheduled audits independently to ensure there is effective risk monitoring, internal controls, governance processes and compliance procedures to provide the level of assurance required by the Board. GIA also supports and conducts special reviews (which also includes investigations) upon request by Management, BAC and ARMC of AET Pte. Ltd.

GIA submits its audit reports to the Management Audit Committee (MAC) for executive review. Subsequently, the reports together with deliberations by the MAC are tabled at the BAC Meetings for endorsement. At the Board meetings, the BAC Chairman highlights the key audit issues and overall decisions and resolutions made during the BAC meetings to the Board.

The audit reports prepared by GIA provide details of audit findings and corresponding Agreed Corrective Actions (ACAs). The status of implementation of these ACAs are captured through the Quarterly Audit Status Reports, from which, the ACAs are monitored and analysed. The consolidated reports are submitted and presented to the MAC and the BAC for deliberation and endorsement on a quarterly basis. Such regular monitoring is essential to ensure the integrity and effectiveness of the Group's internal controls.

During the financial year, GIA reported the results of the following audits conducted in accordance with the approved annual internal audit plan:

- Audit on Code of Conduct & Business Ethics (CoBE) for AET
- Audit on MISC Offshore Floating Terminals (L) Ltd and MISC Offshore Floating Terminals Dua (L) Ltd
- Audit on MISC Cybersecurity and Related IT Controls
- Audit on Malaysia Vietnam Offshore Terminal (L) Limited
- Audit on Vietnam Offshore Floating Terminal (RUBY) Ltd – (Planned Maintenance and Spare Parts Management)
- Audit on AET Sea Shuttle AS and AET Sea Shuttle II AS
- Audit on AET Brasil Servicos Maritimos Ltda and AET Brasil Servicos STS Ltda
- Audit on Property Services (MISC HR)
- Revisit Audit on Malaysian Maritime Academy Sdn Bhd 2021
- Audit on MISC Sustainability Agenda
- Audit on Eaglestar Crew Payroll, Compensation & Benefit and Manning Office
- Audit on Eaglestar Marine India Pte Ltd
- Audit on MISC Risk Management Process (Corporate Planning)

Board Audit Committee Report

Board Audit Committee Report

STATEMENT ON INTERNAL AUDIT FUNCTION (CONT'D)

MISC as a Group has been able to consistently achieve high percentage of closure for the audit findings through close monitoring thereof. The status of the audit corrective actions are reported to the BAC on a quarterly basis. In FY2023, a 89% closure rate was recorded, with the balance of 11% not due for implementation as at the end of 2023.

GIA conducted quarterly reviews on the internal control process and reporting of RPTs and RRPTs to provide assurance to the BAC that its implementation conforms to the requirements of Bursa Securities.

GIA also facilitated Project Independent Review (PIR) on a major project currently under execution. This is in conjunction with audits conducted by the counterparty or client as well as the regulatory authorities. The objectives of the PIR are as follows:

- Providing an independent review of the status of the project in meeting its time, cost and quality of work;
- Review project activities during the execution phase to verify compliance and readiness to meet the contractual, statutory and regulatory requirements, international and industrial standards as well as project specific procedures during execution phase;
- Identifying significant gaps and providing recommendations to overcome any inadequacies; and
- Highlighting good practices to be adopted for future projects.

All internal audit activities for the financial year under review were performed by 25 internal auditors as of 31 December 2023 from diverse backgrounds, disciplines and operational experiences such as accounting and finance, business administration, human resource, engineering, information technology and logistics.

In maintaining independence and objectivity, GIA ensures that the internal auditors are free from any relationship or conflict of interest when performing their duties. All auditors have declared their independence through the annual conflict of interest declaration.

GIA continues its commitment to equip the internal auditors with adequate knowledge and proficiencies to discharge their duties and responsibilities by providing sufficient and relevant functional trainings.

The total cost incurred in discharging the internal audit functions during FY2023 was RM9.5 million.

RELATED PARTY TRANSACTIONS (RPT) AND RECURRENT RPT (RRPT)

MISC has put in place internal controls, guidelines and procedures to ensure that RPTs and RRPTs are entered into on normal commercial terms and on terms which are not more favourable than those generally available to third parties dealing on arms' length basis and are not detrimental to the minority shareholders of the Company.

During the year under review, the BAC has reviewed the internal guidelines pertaining to the governance of RPTs and RRPTs as outlined above and is of the view that the said guidelines are sufficient to ensure that the RPTs and RRPTs are fair, reasonable and in the best interest of the Group. The BAC was satisfied that the Group has put in place adequate procedures and processes to monitor, track and identify RPTs and RRPTs in a timely and orderly manner to ensure that the RPTs and RRPTs were, at all times, carried out on normal commercial terms and consistent with the Group's practices and were not to the detriment of the minority shareholders. The procedures and processes will be reviewed from time to time based on recommendations from the internal audit team of the Company.

In ensuring adequate procedures and processes are in place, the BAC is responsible to ensure the following:

- a) That a framework and appropriate procedures are in place for the purposes of identifying, monitoring, evaluating, reporting and approving RPTs and RRPTs;
- b) That a review of any RPTs or RRPTs and conflict of interests that may arise within the Group is conducted; and
- c) That the established procedures are adequate in order to ensure that the RPTs and RRPTs are entered into in the best interest of the Company, on fair and reasonable commercial terms and not detrimental to the interest of minority shareholders.

Due to integrated nature of MISC's business operations with the PETRONAS Group, the Company has been granted exemption from complying with the requirement of Paragraphs 10.08 and 10.09 of the MMLR including having to seek shareholders' approval in relation to the supply, sale, purchase, provision and usage of certain goods, services and facilities which form part of the PETRONAS Group integrated operations. The exemption is of particular significance to ensure MISC does not experience any disruption to its operations.

Board Audit Committee Report

RELATED PARTY TRANSACTIONS (RPT) AND RECURRENT RPT (RRPT) (CONT'D)

The RRPTs entered into by the Group during the financial year ended 31 December 2023 are summarised below:

Nature of transaction	Transacting party	Related party
1 Charters of LNG vessels from MISC by PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
2 Charters of petroleum and chemical tankers and liquefied petroleum gas carriers from MISC by PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
3 Operating, maintaining and lease/charter of Floating Production, Storage and Off-Loading (FPSO), Floating Storage and Off-Loading (FSO) and other floating solutions by PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
4 Fabrication and construction of oil and gas offshore/onshore structures for PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
5 Marine and consultancy services to PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
6 Sungai Udang Port management	MISC Berhad and/or its subsidiaries	PETRONAS*
7 Purchase of industrial gases, lubricants and other petroleum products including bunker oil from PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
8 Port management services to PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
9 Supply of information technology services provided by PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
10 Rental of premises with PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
11 Supply of bunkers, manpower and other services by PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*

* PETRONAS is a major shareholder of the Company

The BAC also confirmed that the methods or procedures for determining the prices and terms of the RRPTs have not changed since the issuance of the Independent Adviser’s opinion by PricewaterhouseCoopers Capital Sdn. Bhd. dated 26 March 2012. The same was published in the Company’s Annual Report for the year ended 31 December 2011.

CHEW LIONG KIM

Chairman
Board Audit Committee

Board Sustainability & Risk Committee Report



DATIN NORAZAH MOHAMED RAZALI

Chairperson
Board Sustainability & Risk Committee

2023 was a year of dynamic progress and dedication for MISC Group in our journey towards sustainability. As we forge ahead with our ambitious goal to achieve Net-Zero emissions by 2050, our focus remains unwavering: to transition MISC into a leading Net-Zero energy-related maritime solutions and services provider. This journey is not just about meeting targets; it is about leading a transformative shift in the industry and creating lasting value for all our stakeholders.

Strengthening Risk Management

Throughout the year, the Board Sustainability & Risk Committee (BSRC) exercised strategic oversight to embed sustainability and prudent risk management into every facet of our organisation. As the Group builds its momentum through existing and new investments, the BSRC carries out a comprehensive review of all projects to ensure our projects are aligned with our sustainability goals and contribute to our overall financial performance as well as business growth and resilience. As part of this review, the Project Risk Assessment (PRA) and Post Implementation Economic Review (PIER) are mandated key check and balance mechanisms, reinforcing risk management as an integral component in driving business growth.

In addition to project evaluations, the BSRC also regularly monitors risk factors affecting MISC’s operations through our quarterly risk register. This sharpens our understanding and tracking of MISC’s overall risk exposure. To further mitigate risks and to fortify our commitment to responsible practices, the Responsible Supply Chain Programme 2023 - 2025 was implemented, ensuring that our procurement processes and value chain align with our sustainability agenda.

Upholding Ethical Practices and Human Rights

In 2023, MISC reinforced its commitment to upholding human rights standards and ethical practices across the globe. Our endorsement of the updated Modern Slavery Statement for 2023 is not just a testament to our dedication to ethical conduct; it reflects our adherence to global best practices. Recognising our international footprint, this Statement is benchmarked against stringent international laws and practices, ensuring we meet and exceed the highest standards of human rights across all regions we operate in.

Excellence in Sustainability Governance

The BSRC played a pivotal role in endorsing the MISC Group’s Sustainability Strategy in 2022, with a subsequent first internal audit conducted in 2023 by Group Internal Audit on the implementation of this Sustainability Strategy. This resulted in an “Effective” rating which not only reaffirms the effectiveness of our governance, risk management and controls but also highlights our success in integrating sustainability into the core of our business operations.

Furthermore, the operationalisation of the Internal Carbon Pricing Framework marks a significant stride in our journey as this mechanism provides consideration on the financial impact of decarbonisation in our decision-making, as well as to allow for pricing of transition risks and opportunities.

MISC also established our MISC Group Risk Appetite in 2023 to govern our business strategies and decision-making process. It will help to further strengthen and enhance MISC’s overall strategy towards effective risk management and governance.

Looking Ahead

Our commitment is to pursue growth and progress towards creating a sustainable future that benefits our stakeholders. As we move forward, our focus remains on responsible investments that are aligned with the energy transition and to ensure that MISC continues to build momentum on its sustainability strategy.

On behalf of the BSRC, I would like to extend my sincere thanks to Dato’ Sekhar Krishnan and Dato’ Ab. Halim Mohyiddin for their insightful wisdom and invaluable contribution to the committee. I would also like to take this opportunity to welcome Mr. Chew Liong Kim who joined the BSRC on 15 January 2024.

Board Sustainability & Risk Committee Report

Dear Shareholders,

The Board Sustainability & Risk Committee (BSRC), formerly known as Board Governance & Risk Committee, was established on 1 January 2021 to enhance oversight on risk management matters and enable more effective anticipation and reaction in managing events and trends that could lead to disruptive changes to MISC’s business model. The scope of the BSRC encompasses governance, compliance and ethics, sustainability as well as health, safety, security and environment (HSSE).

Composition and Meeting Attendance

The BSRC comprises four (4) members, all of whom are Independent Non-Executive Directors. The BSRC’s Terms of Reference requires a majority of the BSRC members to be Independent Directors, which complies with the requirements of the MCGG. At least one member of the BSRC must also be a member of the Board Audit Committee (BAC) to foster a common understanding of the risk management and internal control systems and ensure co-ordination between the two standing Board Committees of MISC in its risk, internal controls and governance oversight roles.

The composition of the BSRC is as follows:

Members	Date of Appointment as BSRC Member
DATIN NORAZAH MOHAMED RAZALI <i>Chairperson</i> <i>Independent Non-Executive Director</i>	1 January 2021
CHEW LIONG KIM <i>Member</i> <i>Senior Independent Non-Executive Director</i>	15 January 2024
MOHAMMAD SUHAIMI MOHD YASIN <i>Member</i> <i>Independent Non-Executive Director</i>	1 January 2021
DATO’ TENGKU MARINA TUNKU ANNUAR <i>Member</i> <i>Independent Non-Executive Director</i>	1 April 2022

⁽¹⁾ Dato’ Sekhar Krishnan retired as Senior Independent Non-Executive Director of MISC and ceased being a member of the BSRC on 15 January 2024.

⁽²⁾ Dato’ Ab. Halim Mohyiddin retired as Independent Non-Executive Director of MISC and ceased being a member of the BSRC on 15 January 2024.

The BSRC met five (5) times in 2023, with the BSRC Chairperson and all duly appointed BSRC Members in attendance for all meetings during their respective tenure.

The President/Group CEO attends the BSRC meetings to facilitate discussions, as well as to provide the appropriate information and advice on relevant matters for the BSRC.

BSRC meetings together with the tentative agendas, are scheduled in advance of any new financial year to allow the BSRC members to plan ahead and incorporate the year’s meetings into their respective schedules. The agenda and meeting papers are distributed to the BSRC members via a secured collaborative software, which eases the process of distribution of meeting papers and minimises leakage of sensitive information, as well as enabling the Directors to have full and timely access to the papers electronically at any given time. This practice is also consistent with the Board’s and Company’s commitment to sustainable practices.

All proceedings of the BSRC meetings are duly recorded in the minutes and properly kept by the Company Secretary.

Board Sustainability & Risk Committee Report

Terms of Reference

The BSRC is governed by its own Terms of Reference (TOR), which is consistent with the requirements of the MMLR and best practices of the MCGG.

➤ For more information on the BSRC’s TOR, please refer to MISC’s corporate website at www.miscgroup.com

Functions of the BSRC

BSRC Functions To review, evaluate, report and make appropriate recommendations to the MISC Board on the following matters:	
Risk Management Provide oversight on the risk management policies, framework and process.	Sustainability Provide oversight on the sustainability strategy and initiatives.
Compliance and Ethics Ensure effectiveness of the compliance and ethics programmes.	Governance Determine the governance structure and monitor good governance practices.

i. Risk Management

Matters pertaining to risk management fall within the scope of the BSRC, which will act as a sounding board to Management and perform a deep dive and challenge on risk matters. The BSRC shall review, evaluate, report and make the appropriate recommendations to the Board on the following matters:

- (a) Adequacy and effectiveness of MISC’s Risk Management Framework and the ongoing activities (including reports on key strategic and business risks as well as environmental, social and governance risks) in identifying, evaluating, monitoring and mitigating risks;
- (b) Enterprise Risk Management Risk Register, to ensure that appropriate systems and processes are in place to effectively monitor and manage the identified risks;
- (c) Risk assessments conducted by the Project Risk Assessment Sub-Committee, on business proposals and new initiatives;
- (d) Determination of MISC’s level of risk tolerance; and
- (e) Any other matters as determined by the Board.

ii. Sustainability

As sustainability is a key feature of MISC’s strategy, the Board considers sustainability to be of paramount importance when determining the Board agenda. Hence, the BSRC has been identified as the custodian for MISC’s sustainability initiatives.

The BSRC has oversight on Environmental, Social and Governance (ESG) matters, including climate change, health and safety, security and cybersecurity. The BSRC reviews, evaluates, reports and makes appropriate recommendations to the Board not only in regard to the determination of MISC’s sustainability strategy but also to ensure alignment with MISC’s business strategy.

iii. Compliance and Ethics

The BSRC reviews and makes the appropriate recommendations to the Board on the adequacy and effectiveness of MISC’s Compliance and Ethics strategy and objectives to continuously embed a compliance culture of strong corporate governance, business ethics and conduct within the organisation, through a management framework for business and operations to develop, manage and maintain the governance required, including continuous enhancement and monitoring to meet and sustain the compliance strategy and objectives across the MISC Group.

iv. Governance

The BSRC reviews, evaluates, reports and makes appropriate recommendations to the Board on the determination of MISC’s governance structure in alignment with MISC’s business strategy. The BSRC also monitors good governance practices across the Group to ensure consistency with the Board’s risk appetite, guided by applicable laws and regulations.

Board Sustainability & Risk Committee Report

SUMMARY OF THE BSRC’S WORK IN 2023

Appended below is a summary of the BSRC’s work in 2023, in discharging its functions and duties:

Functions	Matters considered
Risk Management	<ul style="list-style-type: none">Reviewed the Financial Risk Appetite Setting (FRAS) FY2023 indicators for the Group.Received quarterly updates on the FRAS indicators for the Group.Assessed the Group’s risk status across the seven risk categories: financial; operational; governance and compliance; health, safety and security; environment; human resource; and cybersecurity, through the Enterprise Risk Management quarterly reports.Reviewed the MISC Risk Register and assessed the primary risk events to ensure all material and strategic risks faced by the Group are managed and addressed.Reviewed the proposals, strategies and project risk assessments relating to the proposed participation in new projects/tenders and/or other corporate exercises and provided appropriate recommendations to mitigate any identified risks.Assessed the Group’s HSSE performance (including cybersecurity performance) through quarterly reports.Received updates on the status of ongoing tenders and projects.Reviewed periodic project independent review reports for major projects currently under execution.Reviewed updates on progress of MISC’s investments and provided the necessary steer on the way forward.Assessed, reviewed and endorsed the introduction and establishment of the MISC Group Risk Appetite for FY2024.
Sustainability	<ul style="list-style-type: none">Received quarterly updates on MISC’s sustainability performance in line with MISC Group Sustainability Strategy.Received the quarterly MISC Sustainability Strategy Progress and Performance Report.Received quarterly performance reports on ESG indicators through the MISC Sustainability Dashboard.Reviewed the MISC Internal Carbon Pricing Framework and Responsible Supply Chain Programme.Considered the report on the audit of MISC Sustainability Agenda.
Compliance and Ethics	<ul style="list-style-type: none">Conducted the annual review of the Modern Slavery Statement.Received quarterly updates on compliance and ethics initiatives which cover policy related matters, communication and training as well as monitoring and assurance.Received periodic updates on compliance with MISC’s Regulatory & Legislation Register as well as other compliance dashboard.
Governance	<ul style="list-style-type: none">Reviewed the BSRC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Corporate Governance Report for inclusion in the MISC Integrated Annual Report 2022.Reviewed MISC Group Climate Risks and Opportunities Disclosure in the Sustainability Report 2022.

DATIN NORAZAH MOHAMED RAZALI
Chairperson
Board Sustainability & Risk Committee

Statement on Risk Management & Internal Control

The Board of Directors is pleased to provide this Statement on Risk Management and Internal Control (Statement) pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by The Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The following statement outlines the nature and scope of risk management and internal controls within MISC Berhad (MISC or Company) and its subsidiaries (MISC Group or Group) during the financial year ended 31 December 2023.

Accountability of the Board

The Board is responsible for establishing and maintaining a sound risk management and internal control framework with the objective of safeguarding the shareholders’ interest and the Group’s assets, as manifested in the Malaysian Code on Corporate Governance 2021.

The Board recognises its principal responsibility to regularly review the adequacy and effectiveness of the risk management and internal control framework. By implementing sound risk management and internal control systems, it helps the Group to achieve its performance and profitability targets whilst managing risks.

In discharging its responsibilities, the Board is supported by MISC’s Board Sustainability and Risk Committee (BSRC) and Board Audit Committee (BAC) to oversee the risk management and internal control systems during the financial year ended 31 December 2023.

The BSRC assists the Board in providing oversight and direction on the Group’s risk management policies, framework and process whilst the Group’s internal control framework is under the purview of the BAC. For more information on the BAC’s and BSRC’s responsibilities, please refer to their respective reports on pages 172 to 180 (for the BAC) and pages 181 to 184 (for the BSRC) of this Integrated Annual Report.

During the year under review, the BSRC was further supported by the MISC Risk Management Committee (RMC), which comprises Management Committee (MC) members and Heads of Divisions, to reflect the prominence and focus by Management on the oversight of risk management for the Group. In ensuring that the Group’s internal control systems

are in place and effective in dealing with risks during the year under review, the BAC was supported by the MISC Management Audit Committee (MAC), which comprises MC members and Group Internal Audit (GIA).

The Board, via BSRC and BAC, periodically reviews the efficiency and effectiveness of the Group’s risk management and internal control to ensure the viability and robustness of the systems.

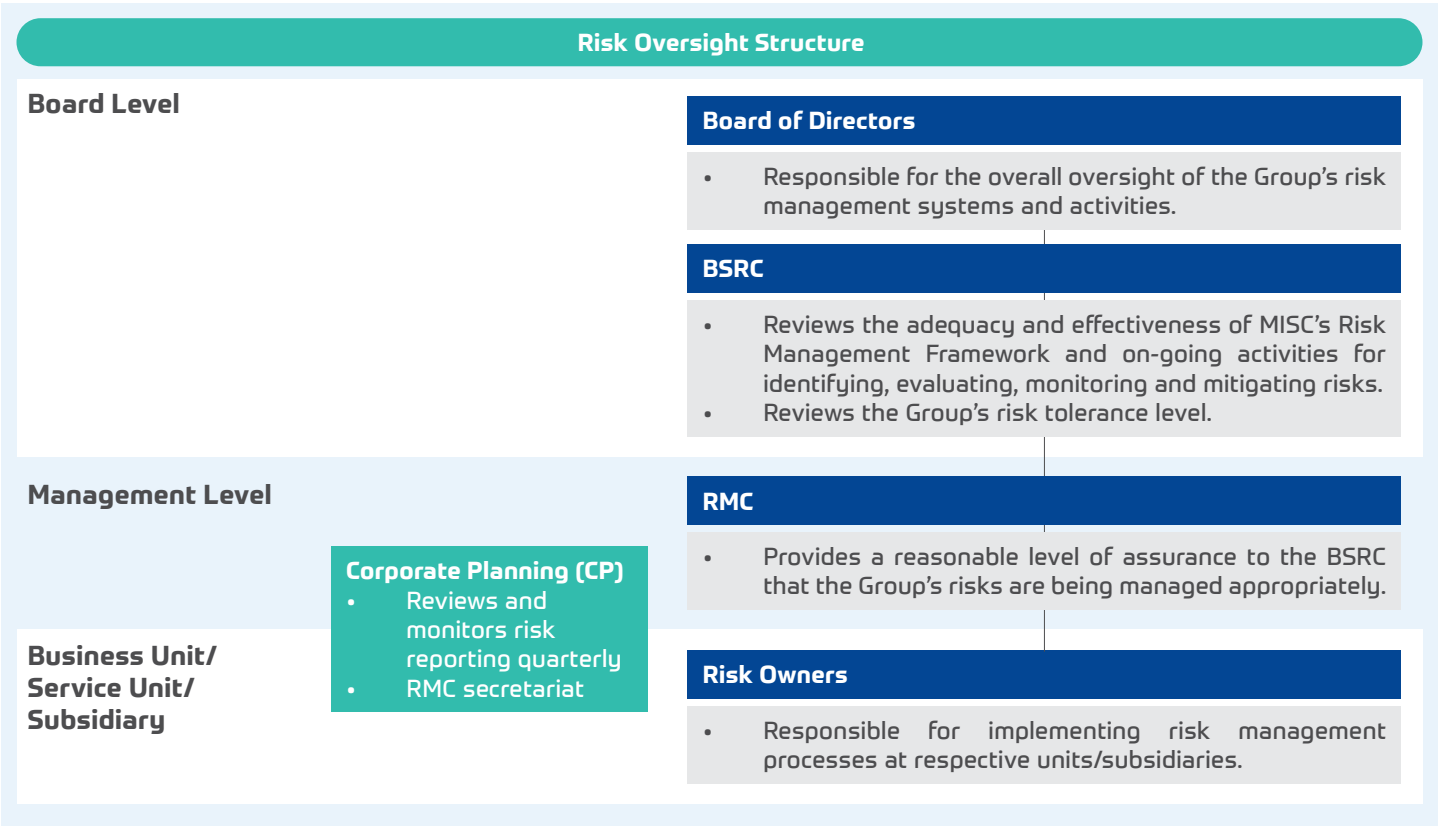
In view of limitations inherent in any process and risks which cannot be eliminated completely, the Group has in place, a system of internal control and risk management designed to mitigate rather than eliminate the risks that may impede the Group from achieving its objectives. Therefore, it can only provide a reasonable, but not an absolute assurance against material misstatements or losses or the occurrence of unforeseeable circumstances. Thus, the Board adopts a cost-benefit approach to ensure that the expected returns outweigh the cost of risk mitigation.

Risk Governance Structure

The Group’s risk governance structure facilitates the flow of information and effective oversight of the implementation of risk management practices across its businesses.

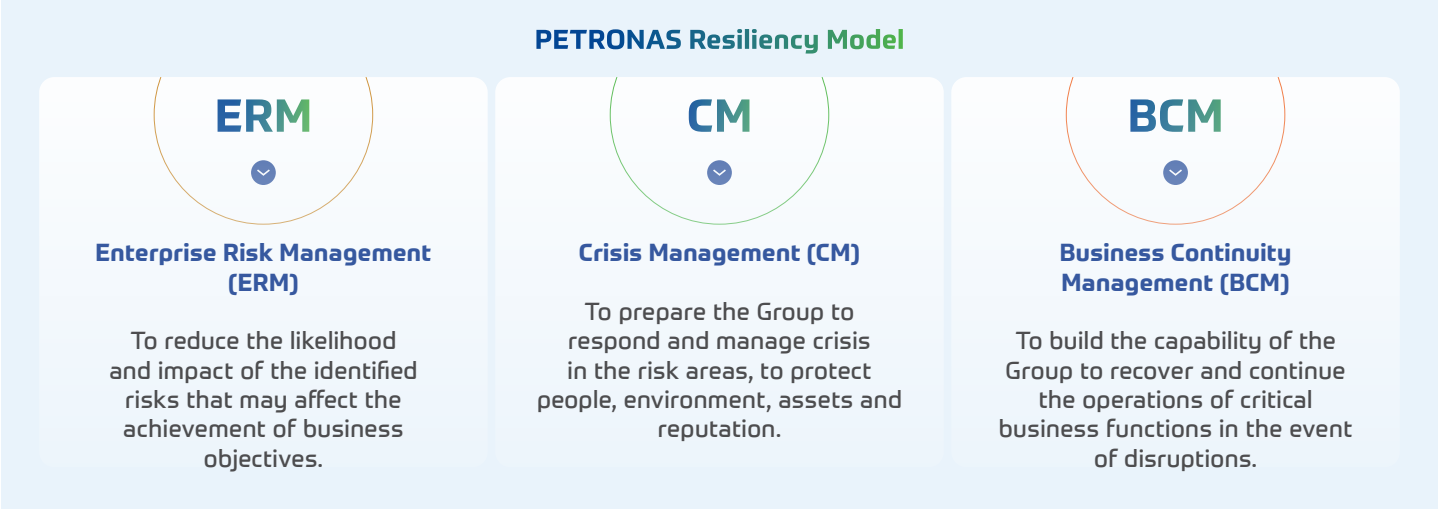
Risk management activities are undertaken at corporate, business/service units and subsidiaries and their risk reports are reviewed by the RMC prior to deliberation at the BSRC for subsequent approval by the Board. Each appointed and dedicated risk focal person has the responsibility for risk management activities in their units and subsidiaries to ensure consistent implementation of risk management processes across the Group.

Statement on Risk Management & Internal Control



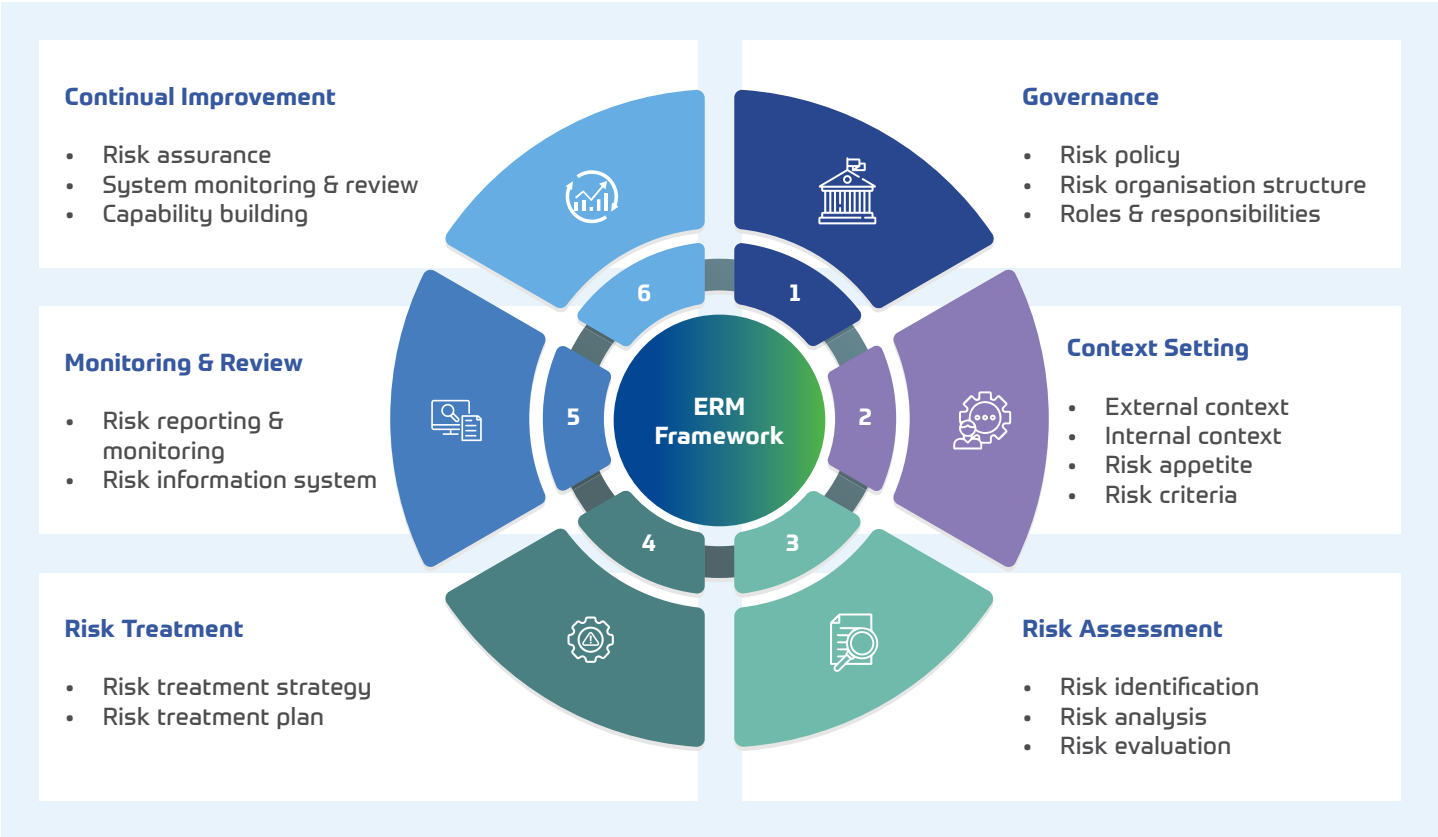
Statement on Risk Management & Internal Control

The Group adopts the PETRONAS Resiliency Model which provides an integrated view for managing risks effectively and is also guided by international best practice on risk management as per ISO 31000. The model focuses on three (3) areas of business resilience as shown below:



Enterprise Risk Management

The Group has implemented risk management best practices in the form of an ERM framework which ensures business risks are prudently identified, evaluated, treated and managed to achieve MISC Group's business objectives.



Statement on Risk Management & Internal Control

In sustaining the achievement of business objectives, it is important to manage risks across the Group on an integrated basis with a balanced view of the risks taken against the rewards of business performance. The business/service units and subsidiaries are required to perform an annual review of their risk profiles with an emphasis on linking these risks to MISC Group's business objectives.

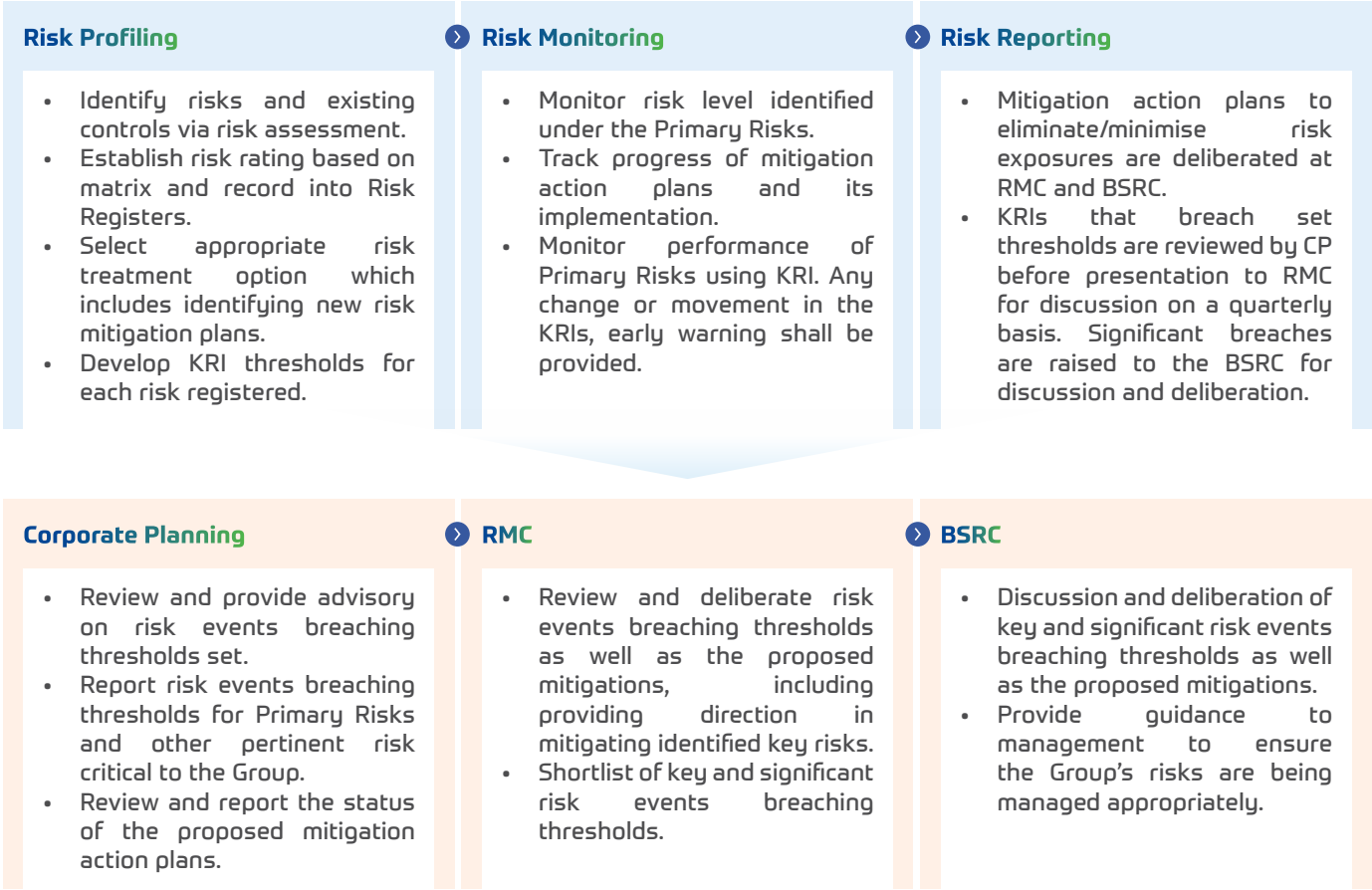
The risk management process in MISC Group requires management to identify business risks at the strategic, tactical and operational levels, while also considering the ESG risks. These risks are assessed in terms of likelihood and magnitude of impact, as well as to identify and evaluate the adequacy of mechanisms in place to manage these risks.

This process involves assessments at business/service units and subsidiaries before being examined at the Group for a more holistic and strategic view.

The Group maintains a risk register, which comprises a list of Primary Risks critical to the Group inclusive of their corresponding risk mitigations and assigned Key Risk Indicators (KRIs), derived from the businesses. The KRIs are reviewed and identified based on each Primary Risk, for effective monitoring of the movement of respective risks quarterly. This enables management to act timely and take necessary measures in managing risks, to ensure that the Group's initiatives are implemented effectively and business objectives are met.

For the purpose of risk reporting, the status of the mitigation action plans identified to manage these risks and breaches to the KRI thresholds are monitored, updated and reported to the RMC, BSRC and subsequently to the Board on a quarterly basis.

In essence, the risk management processes are as follows:



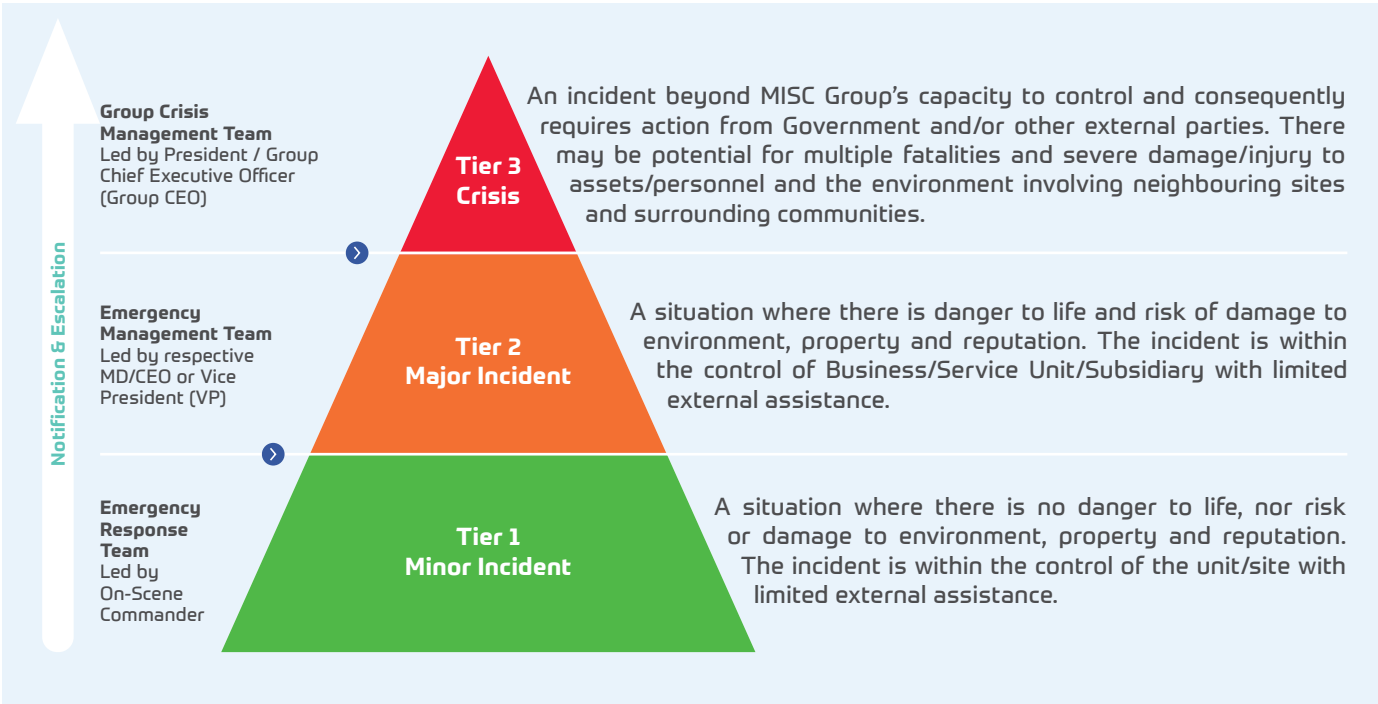
Statement on Risk Management & Internal Control

Crisis Management

Crisis Management is a holistic and cohesive approach designed to enhance MISC Group’s ability to anticipate, prepare for, respond to and manage crisis across all risk dimensions of people, environment, assets and reputation.

In 2023, the MISC Strategic Crisis Management Guideline (SCMG) was established replacing MISC Group Crisis Management Plan, 2019. The SCMG provides details of the roles and responsibilities allocated under the crisis management structure and used in the preparation and planning of a crisis response across MISC Group.

A three-tiered response system provides the demarcation of roles and responsibilities between emergency site management, business segment/subsidiary management, corporate and internal/external response to regulatory agencies and/or authorities.



An integrated crisis management drill was conducted in 2023 based on a simulated incident in order to test the effectiveness of the SCMG and the Crisis Management Team (CMT) in ensuring a coordinated and timely response during crisis. Additionally, drill exercises were conducted for emergencies on vessels and offshore facilities, validating response plans and promoting continuous improvement. These proactive measures highlight the Group’s commitment to enhancing crisis management capabilities, ensuring swift and effective responses to unforeseen challenges and fostering resilience.

Business Continuity Management

Business Continuity Management (BCM) aims to build the capability of the MISC Group to recover and continue the operations of critical business functions in the event of disruption.

Established through the BCM process, the Business Continuity Plan (BCP) enhances MISC Group’s readiness to recover and restore essential business functions within a reasonable time to sustain business activities and minimise stakeholder disruption. Annual Business Impact Analysis and recovery plan reviews are carried out to ensure changes in the Group is risk-assessed, analysed and mitigated. The mitigation action also takes into consideration different work environments such as flexible working arrangement and other remote working arrangements. This is achieved seamlessly by the application of technology, deployment of digital platforms for communication and collaboration to ensure our teams are able to work remotely and effectively.

Through the operational resilience that MISC Group has built over the years and the well-executed recovery plans, MISC Group was able to provide uninterrupted services to its clients, as well as internal and external stakeholders, globally.

Statement on Risk Management & Internal Control

Key Internal Control Processes in Enterprise Risk Areas

MISC Group Management Framework (MGMF) functions as a guide that aligns the Group’s activities on an integrated platform providing the first point of reference with guiding principles for the following areas which defines how the Group fulfils its obligations to regulators, employees, customers, shareholders and the community:

Corporate Governance and Communication

Values

Decision-making Philosophy

Approach to Governance Management

MISC Excellence Management System (ExMS)

In operationalising MGMF, MISC uses myGOVERNANCE, a digital system that has been designed as a central hub to streamline document management across all levels to ensure compliance, facilitate online adoption, deviation handling and provide comprehensive performance reports for governance activities. myGOVERNANCE which was approved for implementation in August 2023, has been in operation since January 2024.

During the year under review, MISC conducted 844 self-assessments via myASSURANCE, an online assurance platform, covering Health, Safety, Security, Cyber Security, Environment, Finance, Tax, Procurement and Legal areas to ensure compliance with internal governance requirements, established under the Group’s frameworks, guiding principles and guidelines.

Other than self-assessment via myASSURANCE, amongst other MISC Group’s key internal control processes in Enterprise Risk Areas are as follows:

Financial

Limits of Authority (LOA)

The LOA manual provides a framework of authority and accountability within MISC Group and facilitates sound and timely corporate decision-making at the appropriate level in the Group’s hierarchy.

Reporting

The Board reviews quarterly reports from management on key operating performance, legal, environmental and regulatory matters. Financial performance is deliberated monthly by the MC and tabled to the BAC and the Board on a quarterly basis.

Planning and Budgeting

The Group performs a comprehensive annual planning and budgeting exercise which involves the development of business strategies for the next five years to achieve the Group’s vision. The long-term strategies are supported by initiatives to be pursued in the upcoming year and for effective implementation, the initiatives are tied to specific measurable indicators which will be evaluated against the relevant business/service units and subsidiaries’ deliverables.

The Group’s strategic direction is then reviewed annually taking into account the current progress level and other indicators such as the latest developments in the industry, changes in market conditions and significant business risks. In addition, the Group’s business plan is translated into budgetary numbers for the next five years and financial performance and variance against budget is analysed and reported to the MC, BAC and the Board.

Financial Reporting Control Assurance

To enhance the quality of the Group’s financial reports, the Group continues the execution of the PETRONAS Financial Reporting Control (FRC) Assurance. FRC Assurance is a structured process of ensuring the adequacy and effectiveness of internal controls operating within the Group. FRC covers internal controls related to financial reporting based on the identified processes and risks.

The FRC includes among others, documentation of controls, testing of internal control design effectiveness, remediation of control gaps as well as a periodic testing of control operating effectiveness.

The objective of conducting the assurance and evaluating the test results is to conclude whether the controls are designed and operating effectively to support the financial statement assertions. If internal control deficiencies are noted during the testing, management shall determine whether they constitute a material misstatement to the financial statements. The root cause for each deficiency shall be documented and the Corrective Action Plan for the ineffective controls shall be monitored and reported periodically.

FRC Assurance testing is performed semi-annually for relevant processes.

Statement on Risk Management & Internal Control

MISC Financial Policy

The Group has adopted MISC Financial Policy (MFP) which outlines the overarching philosophy of the Group’s commitment towards becoming a financially resilient organisation through robust capital and liquidity management practices.

MISC is committed to become a financially resilient organisation.

MISC shall continuously strive to achieve the following:

- Capital efficiency in pursuit of business objectives with appropriate balance between risk and reward.
- Maintain an investment grade credit rating (if applicable).
- Sustain a strong cash repatriation discipline in the most optimal manner.
- Uphold strong governance at all times.

Adherence to this Policy is everyone’s responsibility.

Note: MISC refers to MISC Berhad and its subsidiaries, excluding the joint venture companies and associate companies.

The MFP is in alignment with the existing PETRONAS Corporate Financial Policy’s (CFP) guidelines in the areas of liquidity management, cash repatriation, financing, investment, banking, asset-liability management, foreign exchange management, credit, tax, inward financial guarantee and documentary credit and integrated financial risk management.

CFP activities carried out by MISC Group during FY2023 include the following:

- Conducted counterparty assessments prior to accepting Inward Financial Guarantee and Documentary Credit from vendors.
- Monitored trade receivables on a monthly basis.
- Managed interest rate risk exposures via interest rate swaps to hedge against cash flow volatility arising from fluctuations in floating rates.

Debt Covenant Monitoring

The Group monitors its financial and non-financial covenants set out under all its external financing facilities on a quarterly basis, to ensure that the covenants are observed and complied with.

Financial Risk Appetite

The Group has established the Financial Risk Appetite Setting (FRAS), which sets out KRIs as a means of monitoring and mitigating against adverse trends in the following financial risk areas:

- Interest rate risk appetite limit, where the Weighted Average Cost of Debt (WACD) for the year is set to monitor the overall cost of debt of the Group.
- Debt appetite limit, where the debt threshold is set to monitor the Group’s leverage levels.
- Minimum liquidity requirement level, to ensure that the Group can meet its immediate operating expenses payables, committed debt service obligation and capital expenditures. In addition to the minimum liquidity requirement, additional cash reserves and credit facilities available for utilisation are maintained to meet contingent payments and opportunistic investments.
- Foreign exchange risk appetite, to set out thresholds for net currency exposures to mitigate the financial risk arising from non-functional currency transactions.
- Financial institution credit counterparty risk appetite, to mitigate financial exposures arising from failure of financial institution counterparties.

The KRIs thresholds are reviewed and refreshed annually.

Taxation

MISC Tax Policy

With the tax policy in place, MISC Group continues to enhance its tax compliance with the required legislations in the countries where it has presence, with the aim for the Group to be a responsible corporate taxpayer and to maintain cooperative relationships with the relevant tax authorities.

MISC Group is committed to be a responsible taxpayer by:

- Complying in good faith with all applicable tax laws, regulations, guidelines and international tax treaties and settling tax obligations when legally due, as company and employer; and
- Maintaining cooperative working relationships with tax authorities.

Adherence to this Policy is everyone’s responsibility, by referring all tax related matters to the appropriate parties.

Note: MISC refers to MISC Berhad and its subsidiaries, excluding the joint venture companies and associate companies.

Statement on Risk Management & Internal Control

In addition, overall tax risks of the Group are being managed, among others, through:

- Risk Register which sets out KRI in relation to non-compliance events which resulted in penalties being imposed by tax authorities;
- Tax Compliance & Control (TCC) Assurance [formerly known as Tax Control Framework] which is designed to enforce effective governance and management of tax risks for both direct and indirect tax areas; and
- Performing tax assessment covering contractual, business structure and operational tax risks as part of Project Risk Assessment (PRA).

Project Evaluation

The Group uses a risk-based evaluation framework to ensure that the returns of any capital investment or project, adequately cover the risks assumed for undertaking such investment or project.

The PRA framework has been established to provide a stringent tool in identifying project risks prior to embarking on a new capital-intensive and/or revenue project. The risk-based project feasibility assessment aims to increase the likelihood of achieving project objectives and is used to assess risks associated with a project and identify action plans to mitigate/eliminate each risk exposure.

In addition, the PRA advocates and ensures a consistent approach to project prioritisation during the overall planning and budget cycle throughout the Group, whilst promoting investment discipline. Ultimately, the objective of PRA is to ensure that project returns are commensurate with the level of risk taken. Amongst the risk elements considered in the PRA framework are counter-party credit risk, project tenure, commercial risk, overall project economics against risk, assumed level of debt taken to fund the projects and the residual value risk of the assets at the end of the contract period.

The PRA framework, which covers a complete project life cycle, also includes the review of project implementation, identification of lessons learnt and evaluation on whether agreed objectives, targets and returns have been achieved.

PRA is conducted for capital investments and deliberated at the PRA Sub-Committee (PRASC) and BSRC for endorsement prior to obtaining final approval from MISC Board, as part of the Final Investment Decision (FID) for the projects. The PRA framework is continuously reviewed and refined to ensure the robustness of the risk assessment process.

Finance Transformation Programme (FTP)

MISC Group has embarked on a FTP. The primary objective of FTP is to shift the role of Finance from transaction processing to becoming strategic business partners, by leveraging analytics and automation to enable data-driven business decisions. The objective will be achieved through re-engineering of financial processes, internal reorganisation, implementation of modernised financial platforms and automation technologies, as well as upskilling of finance practitioners in the Group, whilst ensuring the adequacy and effectiveness of internal controls. The Group has rolled out Wave 1 initiatives and will roll out Wave 2 initiatives in 2024.

Procurement

The MISC Group Procurement Transformation Programme is focused on:

- MISC Group Procurement Guidelines relating to Category Management were launched in August 2023 and are in the process of being adopted in all Business Procurement Manuals across the Group; and
- The digitalisation of procurement processes and policies through a procurement platform which will enforce compliance to Procure to Pay policies and improve visibility of procurement activities. The Source to Contract modules were fully operational across the entire Group from February 2023 and the Procure to Pay modules are progressively being rolled out. Wave 1 went live in September 2023 and Wave 2 is scheduled for implementation in 2024.

Contract Management

Contract management digital transformation programme based on the agreed scope for the remaining phases involving AET, MMASB (ALAM), MMS and Offshore Business was completed in March 2023.

Project Management

Project management of GAS Business and AET newbuilds are handled by Project Management and Engineering (PME) department of the Eaglestar Group, whereas the project management for the Offshore Business will be monitored by the Project Delivery and Technology (PD&T) department of the Offshore Business unit. The primary objective of the PME and PD&T departments is to strategise, lead and control shipbuilding/conversion of vessels and newbuild/conversion of floaters respectively, to ensure safe and successful execution of projects within the agreed schedule and allocated budget limits.

Statement on Risk Management & Internal Control

Two main functions of Eaglestar’s PME are:

- Project engineering team, which mainly provides technical support in project bidding and contracting, feasibility and conceptual studies, retrofitting and modification projects; and
- Project management team, which handles project execution post contract signing, engineering review, supervision, guarantee claim management and appraisal of builders’ performance depending on agreed scope of work with the project owner.

The PME constantly reviews the execution of the project against the project execution plan, which includes the planned programme, procurement schedule, factory test schedule and commissioning schedule. The PME also provides regular reporting to management on the progress and escalating pertinent issues.

The Offshore Business’ PD&T provides support and oversight for all project phases from the bid, through Front End Engineering Design (FEED) and execution until handover to the asset management team. During project execution, the team will carry out regular project reviews and risk assessments and formulate risk mitigation to ensure that appropriate actions are taken in a timely manner. Independent reviews which may include external experts, if required, are performed during the project execution phase led by MISC’s GIA.

Information & Communication Technology (ICT)

MISC Group has largely implemented the Enterprise ICT systems and corporate applications to automate its core business functions and processes. These systems run on ICT platforms and network infrastructure that connect all businesses within the Group. With the implementation of Cloud services, Group ICT has continued to expand its digital footprint in pursuit of operational and service excellence. Group ICT continues to innovate while managing ICT risks for MISC Group by developing its strategic roadmap and governance framework.

ICT Strategic Plan and Priorities

MISC Group has developed the ICT Strategic 5-year plan which aims to build business resiliency and enable further digitalisation for MISC and the Group via these intended outcomes:

- Strengthening the core by enhancing core services to enable business transformation;
- Building a data driven organisation and culture to drive business competitiveness; and
- Driving business innovation via emerging technology to unlock new value and business growth.

ICT Risk and Governance

The Information Technology Programme Committee (ITPC) serves as the central platform for the Group in evaluating and monitoring ICT strategic investments. ITPC provides management oversight and business alignment on ICT strategic initiatives. Progress of various ICT strategic initiatives are reported at the ITPC meetings where assessment and monitoring of progress and performance measurement of these initiatives are conducted to ensure smooth and successful implementation.

MISC Group has established the ICT Unified Control Framework (UCF) that defines the minimum standards to operate and measure the effectiveness of ICT controls for all ICT functions across the Group. This is to ensure that Group ICT operates at its highest potential, minimises risks and improves Information Technology (IT) governance.

Group ICT enhances its project management capabilities by having a dedicated ICT Project Management Office (PMO) function. PMO provides management oversight on all ICT projects to ensure project delivery is done within budget, schedule and resources. The Group ICT PMO establishes the ICT Project Management Handbook by adopting the Project Management Body of Knowledge (PMBOK) standard for project deliveries.

Statement on Risk Management & Internal Control

Cybersecurity

A five-year MISC Cybersecurity Strategic plan has been formulated under MISC Sustainability Strategy (Governance Pillar) to provide the roadmap for the continuous maturity of cybersecurity in MISC. The strategy aims to reach a Tier-3 NIST (National Institute of Standards and Technology) maturity level and achieving ISO27001. This strategy is based on the internationally recognised NIST Cybersecurity Framework (CSF) and International Maritime Organization (IMO)/Tanker Management Self-Assessment (TMSA)/Baltic and International Maritime Council (BIMCO) Cybersecurity Framework. Furthermore, MISC Group is also adopting mandatory requirements from International Association of Classification Societies (IACS) for its maritime assets as required by July 2024.

A formal cybersecurity team has been established and led by a qualified Chief Information Security Officer (CISO) reporting to the Group HSSE & Sustainability Council. The CISO office provides management oversight in line with the cybersecurity strategy. A 24/7 Security Operating Centre is established to monitor and respond to any possible cybersecurity event. Cybersecurity risks are being addressed through the adoption of the following strategies:

Cybersecurity Governance

The cybersecurity governance framework outlines the policies and procedures, specifies the cybersecurity control standards and ensures a consistent approach to managing cybersecurity for the Group.

Cybersecurity Risk Management

Cybersecurity risks are managed by the team based on a group-wide methodology. All projects and implementation of IT/Operational Technology facilities will be assessed and remediated prior to handing over to operation. Regular assessments are conducted to identify changes in risk profiles and ensure continuous improvement.

Cybersecurity Culture

Formal and structured cybersecurity campaigns and awareness programmes are conducted combining MISC Group internal cybersecurity training and email phishing campaigns. On-going cybersecurity announcements are done to provide security alerts and updates of cybersecurity incidents in developing a security culture where everyone understands that cybersecurity is everyone’s responsibility.

Cybersecurity Technology

MISC Group adopts proven and cost effective technology solutions in detecting and preventing cyber attacks, as well as responding and recovering from cyber attacks. These technologies comprise of Artificial Intelligence, cloud computing and data analytics and are revised regularly to reduce MISC Group’s risks from cyber attacks.

The progress of all initiatives is reported regularly to the Group HSSE & Sustainability Council. The Board has been apprised of MISC’s Cybersecurity strategy.

Human Resource

MISC Group places great emphasis in nurturing a sustainable and healthy talent pool and promotes a high-performance culture that will support the Group’s strategic goals.

Our talent attraction and retention strategy involves establishing a stringent recruitment process to identify the right candidate, developing our employees through a series of structured development programmes and recognising and rewarding talents based on merits. Our recruitment processes actively ensure that critical positions are filled within the stipulated time to enable business continuity. MISC Group has also introduced contingent workforce which allows the Group to access talents on a different working arrangement.

Our Performance Management System supports our vision to build a high-performance culture, with performance indicators that align to the Group’s strategic goals. Progress is regularly tracked through performance reviews that are done twice annually. We have re-introduced expectation settings and quarterly check-ins to ensure clarity in what employees need to achieve, keep track of the progress and lend support where required. Action plans to address employees’ developmental requirements are prepared and implemented in a timely manner.

A structured Succession Planning framework was developed and implemented to identify and develop a leadership pipeline in the Group. The Succession Planning framework takes into account the potential successor’s performance track record, leadership capability and display of the MISC Group cultural beliefs. The Succession Planning framework also provides development plans to be mapped appropriately for each potential successor in order for them to be ready to assume critical positions as the opportunity arises. A special talent review session led by the Management Development Committee is conducted annually to assess and gauge the identified talent pool’s suitability as well as their readiness level for the proposed critical position.

To ensure that the Group has the right competency and capability, a structured Functional Competency and Leadership Competency framework is applicable to all employees in the Group. The objective of the Functional Competency and Leadership Competency framework is to have a competent

Statement on Risk Management & Internal Control

and capable workforce through a structured and holistic developmental process, which ultimately feeds into the talent pipeline for the Succession Planning framework. Through the framework, all employees are required to go through the functional and leadership competency assessment where they are assessed against the competency required for their roles and at their job levels respectively. Based on the competency gap identified from the assessment, employees are empowered to identify and propose suitable intervention plans to address their functional competency gap via one-on-one discussion with their supervisors and are enrolled in the structured leadership courses to enhance their leadership skills.

MISC Group promotes employee self-driven career pathing through the Career Management framework. The framework provides a platform to assess their readiness based on the established Leadership and Functional competencies, plan and execute their development needs as well as explore career opportunities within MISC Group.

The Functional Competency and Leadership Competency framework, together with the Succession Planning framework and the Career Management framework, demonstrate the Group's commitment towards developing future leaders of MISC.

MISC Group continuously promotes the well-being of our employees and this is well-embedded in our Talent Strategy. Post-pandemic, we have introduced a series of well-being initiatives such as Flexible Working Arrangements, employee engagements and employee assistance programmes. Flexible Working Arrangements provide employees the flexibility to balance their personal and professional needs by offering options to work from home or satellite offices and determine their work hours. A series of engagements connect the leaders to the population, promote psychological safety at workplace and encourage open conversations. MISC Group strives to have an inclusive workplace by removing barriers and creating equal opportunities for all our employees. The employee assistance programmes were introduced to provide access to personalised and holistic support encompassing physical, mental and emotional well-being.

Compliance & Ethics

The strategic priority - Governance & Business Ethics, under the Governance Pillar of the Sustainability Strategy, is to continuously embed a culture of strong corporate governance and business ethics and conduct within the Group.

The Governance Pillar maps out the Group's compliance strategy, objectives and guidance through the Compliance Management Framework (CMF) to assist management, business and operations to develop, manage and maintain the governance required to meet and sustain the compliance strategy and objectives across the Group.

The CMF covers the performance of the core functions of an Integrity Governance Unit (IGU) i.e. complaints management, detection and verification of breaches, integrity strengthening and governance management.

MISC Group has put in place fundamental policies in line with the Code of Conduct and Business Ethics (CoBE) that extends to employees and directors within the Group and third parties performing works or services for or on behalf of the Group. Internal controls including policies and measures in addressing the Critical Legal Areas (CLA) related to ethics and integrity, personal data protection, sanctions, export control, competition and human rights/modern slavery are as follows:

- MISC Group has a zero-tolerance policy (Anti-Bribery Corruption Policy and Manual) which applies to employees or companies acting for or on behalf of MISC, throughout the Group reflecting the commitment of zero tolerance against any corrupt or unethical practices in the course of conducting business in all the jurisdictions it operates in. This is further strengthened through the Anti-Bribery Management System (ABMS) which sets out the requisite requirements to prevent, identify and respond to bribery of which MISC has received the ISO 37001:2016 (ISO ABMS) certification in 2019.

The Bribery and Corruption Risk Assessment has been conducted and reviewed on an annual basis to ensure MISC Group fulfils the requirements of the Adequate Procedures Guideline and is safeguarded against the new provision in the MACC Act (Amendment 2018) under Section 17A: Corporate Liability which was effective from 1 June 2020.

- MISC Group has established the Corporate Privacy Policy and Master Guidelines which demonstrate the commitment to handle and manage personal data in accordance with the general principles of personal data protection and applicable laws in various jurisdictions.
- The Economic Sanctions and Export Control Policy and Guidelines underpin the Group's commitment to comply with relevant economic sanctions and export control regulations in the jurisdictions it operates in, through identifying, mitigating and managing such risks.
- MISC Group has a policy under the Competition Law Guidelines and its supporting protocols on Meetings and Information Sharing and Merger and Acquisition Transactions for fully complying with competition laws of every country we operate in.
- MISC Group has also adopted the Human Rights Commitment and Modern Slavery Policy on 24 May 2019 to ensure adherence to the CoBE, which outlines the standards and behaviours that we uphold, with emphasis on due respect for human rights and compliance applicable to global laws and rules.

In keeping with global business and regulatory development, the CLA related governance documents have been recently revised to cater to the latest development in laws and regulations. All entities (active, dormant and joint venture companies where MISC has controlling interest) are required to adopt the CLA governance documents, in order to address compliance and ethics risk across the Group.

Statement on Risk Management & Internal Control

For other relevant laws, MISC Group through the Regulatory and Legislation (R & L) Register, maintains regulations and legislations which can potentially impact the Group. The R & L Register shall be the guide to ensure that MISC Group operates in accordance with the R & L requirements and for any potential exposures to be adequately mitigated.

In providing the Board and Management with assurances that MISC Group is complying with all applicable laws and regulations, Head of Department (HOD) Compliance Attestations to R & L and Legal Functional Checklists (FCs) are implemented through an Integrated Assurance platform called myASSURANCE.

Dealing with third parties is part of MISC Group's business operations and we expect third parties to comply with the same standards as MISC Group's CoBE related policies and guidelines as mentioned above:

- Due diligence exercises are carried out on all third parties as outlined in MISC's Third Party Compliance Due Diligence Operational Guidelines.
- Third parties are also required to adhere to MISC Group's CoBE related policies and guidelines through the Declaration and Integrity Pledge.
- Annual trainings are also conducted for MISC Group's third parties.

There are continuous awareness sessions through the "See.Speak.Support" Campaigns with the objective of highlighting and creating awareness amongst employees on MISC Group's principal elements of the CoBE. The campaigns were aimed at promoting MISC's Whistleblowing Channels and processes to employees. Continuous mandated training on the CoBE and its related policies covering the CLA have been conducted for employees, directors and third parties. This is to be further reiterated through Integrity Time-Out sessions by the Senior Leadership and through Compliance and Integrity sharing sessions.

The Group continues to monitor any potential conflicts of interest through the annual declaration by employees and the receipt and/or giving of any gifts via the employees' Conflict of Interest Register and employees' Gift Register.

MISC's Conflict of Interest (COI) policy, as described in MISC Group's CoBE, provides guidelines on the business and personal relationships between MISC Group's employees and its competitors, suppliers, customers and other business entities. As per the COI Review and Analysis Procedure, the disclosures are reviewed and analysed to ensure any potential conflict of interest exposures are adequately mitigated.

Conflict of interest or potential conflict of interest situations for directors are managed through a declaration of interest by directors at the start of every Board and Board Committee meeting.

BSRC as the governing body is updated on Compliance and Ethics-related matters as good governance and to ensure the

objectives of the Sustainability Strategy (Governance Pillar) are effectively implemented.

The Whistleblowing (WB) Policy provides an avenue for all parties to disclose and report any suspected unethical and/or unlawful conduct or non-compliance with the CoBE involving MISC Group and/or any of its employees. In line with the highest standards of integrity expected of the Company and its employees and the Malaysian Code on Corporate Governance 2021, the BAC shall also review WB reports submitted.

Corporate Policies

MISC established its Corporate Disclosure Policy (CDP) and Corporate Disclosure Guidelines (CDG) in 2016. The CDP guides the Board, Management and employees when communicating and making disclosure of information to external parties such as Bursa Malaysia Securities Berhad, investment community, media, government authorities and other relevant stakeholders. It also sets out the parameters to enable timely, adequate and accurate disclosure of such information. The CDG, which is an internal document, provides more definitive guidelines for communication and disclosure of information in the above areas.

Assurance Functions

Group Health, Safety, Security, Environment & Sustainability (Group HSSE & Sustainability)

MISC Group is committed to ensure the highest HSSE standards and compliance in formulating plans, procuring products and services, making investment decisions and managing total business risks. MISC Group established the Health, Safety and Environment Management System (HSEMS) and the Security Management System (SeMS) pursuant to the Health, Safety and Environment (HSE) policy and the Security Policy instituted by management. The management systems were developed to ensure adherence to applicable international standards, legal requirements and other recognised industry best practices. The management system establishes the expectations and performance objectives in identifying, evaluating and managing the HSSE risks to People, Environment, Assets and Reputation. MISC Group's commitment to HSSE principles and sustainability beyond compliance, signifies our responsibility in creating persistent positive impacts across all components of operations.

HSSE assurance is carried out on the respective business segments, vessels and floating facilities with the objective to verify, evaluate and review HSSE operational activities to ensure their operational integrity and reliability are maintained at all times, consistent with international regulations, HSSE controls and internal policies.

The Group's vessels are subjected to stringent audits, vetting and inspections to meet various regulatory and commercial requirements. These include vetting by oil majors, audits by the Malaysian Marine Department and ship classification societies to maintain international safety and security management

Statement on Risk Management & Internal Control

certification under the relevant international codes. In addition, MISC Group is also subjected to periodic management reviews by its customers’ risk management units.

The Group HSSE & Sustainability Council, chaired by the President/Group CEO with the MC and Managing Director/ CEO of all entities as members, reviews the Group’s HSSE & Sustainability performance periodically. HSSE & Sustainability policies and strategies are reviewed to ensure alignment with business objectives. The BSRC will then be updated on the HSSE & Sustainability performance while the BAC oversees the HSSE Risk and Control effectiveness, through review of the assurance findings.

MISC Safety Rules was first introduced in 2015 to mitigate risks and reduce injurious incidents throughout our operations. In 2023, MISC Group adopted the International Association of Oil & Gas Producers (IOGP) Life-Saving Rules to enhance safety awareness, prevent accidents and ultimately save lives by promoting strict adherence to these rules throughout the operation. MISC Group has also introduced the new HSSE Rules and Commitments to create a secure and healthy workplace ensuring compliance to relevant laws and regulations. Reflective Learnings are carried out for high-risk incidents to reinforce the learnings from the incidents. The HSSE Incident Management process has been translated into an e-Learning platform where a mandatory module has been developed to be completed by all employees to ensure they understand the implications of any HSSE incidents. The HSSE Lessons Learnt process has been improved via translation into an interactive learning through a series of videos.

The HSSE culture of MISC Group encompasses values, attitudes, perceptions, competencies of the entire workforce and patterns of behaviour that determine the commitment of the Group’s HSSE management. In 2021, MISC Group embarked on a journey to institutionalise a Generative HSSE Culture where everyone is doing the right thing at all times even when no one is watching. Various initiatives were implemented during the period to strengthen the HSSE behaviour at all levels, to develop and internalise the right attitude and skills to promote a generative culture and ensure forward accountability across the Group.

Group Internal Audit

MISC’s GIA supports the BAC by providing independent review on the adequacy of risk management, governance as well as the efficiency and effectiveness of the internal control systems.

The authority, responsibilities and scope of work are defined in the approved Internal Audit Charter, which is aligned with the principles outlined in the International Professional Practices Framework (IPPF).

In performing its audit engagements, GIA refers to the internal control framework and guideline issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). COSO is an internationally recognised organisation providing guidance on internal control, enterprise risk management and governance.

Further information on the internal audit functions are set out in the Statement of Internal Audit on pages 177 to 178 in the BAC Report of this Integrated Annual Report.

Other Matters

With regard to the associate companies and jointly controlled entities, the Board does not regularly review their internal control systems as the Board has no direct control over their operations. Nevertheless, MISC’s interests in the associate companies and jointly controlled entities are served via representations on the boards as well as review of management accounts and enquiries thereof.

Affirmation by the Board

The Board has received assurance from the President/Group CEO and VP Finance that the internal control and risk management systems of the Company and its subsidiaries for the year under review up to the date of approval of the statement are, in all material aspects, operating adequately and effectively.

During the financial year under review, there was no significant control failure or weakness that would result in material losses, contingencies or uncertainties requiring separate disclosure in this Integrated Annual Report.

Review by External Auditor

The external auditor, Messrs. Ernst & Young PLT, has reviewed this Statement on Risk Management and Internal Control for inclusion in the Integrated Annual Report for the financial year ended 31 December 2023, in compliance with paragraph 15.23 of the Listing Requirements in accordance with guidelines issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention to cause them to believe that the statement intended to be included in the Integrated Annual Report is not prepared, in all material respects, in accordance with disclosures required by Paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuer, or that the statement is factually inaccurate.

Conclusion

For the financial year under review, based on enquiry, information and assurance provided, the Board is satisfied that the internal control and risk management systems were generally satisfactory. Measures would continuously be taken to ensure ongoing adequacy and effectiveness of the internal control and risk management systems and to safeguard the Group’s assets and shareholders’ investment.

This statement is made in accordance with the resolution of the Board of Directors dated 26 February 2024.

Statement of Directors’ Responsibility

The directors are responsible in ensuring that the annual audited financial statements of the Group and of the Corporation are drawn up in accordance with the provisions of the Companies Act 2016 and the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board.

The directors are also responsible to ensure that the annual audited financial statements of the Group and of the Corporation present a true and fair view of the financial position of the Group and of the Corporation as at the financial year end and of their financial performance and cash flows for the financial year then ended.

In preparing the annual audited financial statements of the Group and of the Corporation for the financial year ended 31 December 2023, the directors have ensured that:

- the financial statements comply with the Companies Act 2016 and the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board;
- appropriate and relevant accounting policies were adopted and consistently applied;
- reasonable and prudent estimates and judgements were made; and
- going concern basis was adopted.

The directors are responsible to ensure that the Group and the Corporation keep accounting records which disclose, with reasonable accuracy, the financial position of the Group and the Corporation.

The directors have the overall responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Corporation to prevent and detect fraud and other irregularities.

Additional Compliance Information

A. STATUS OF UTILISATION OF PROCEEDS

During the financial year ended 31 December 2023, the Company did not raise any proceeds from corporate proposals.

B. AUDIT AND NON-AUDIT FEES

- i) The amount of audit fees paid or payable to the external auditors, Ernst & Young PLT (EY PLT), for services rendered to the Group and the Company for the financial year ended 31 December 2023 amounted to RM6.9 million and RM1.2 million respectively.
- ii) The amount of non-audit fees paid or payable to the external auditors, EY PLT and their affiliated companies for services rendered to the Group and the Company for the financial year ended 31 December 2023 amounted to RM1.2 million and RM0.6 million respectively. The non-audit services rendered to the Group and the Company includes limited review of semi-annual financial results and tax advisory.

C. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries which were not in the ordinary course of business, involving the Directors’ and/or major shareholders’ interests, still subsisting at the end of the financial year ended 31 December 2023 or, if not then subsisting, entered into since the end of the previous financial year.

Section 13

ADDITIONAL INFORMATION

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Properties Owned by MISC Berhad and Its Subsidiaries

As at 31 December 2023

NO	LOCATION	DESCRIPTION	TENURE & YEAR LEASE EXPIRES	AREA IN SQFT	EXISTING USE	AGE OF BUILDING/ LAND (YEARS)	APPROX NBV (RM'000)
1	PTD 22805 Mukim Plentong Johor Bahru	Land, shipyard	Leasehold/2073	13,115,306	Marine repair, marine conversion, heavy engineering fabrication yard, ancillary facilities and office buildings	44	37,679
2	PTD 11549 Mukim Plentong Johor Bahru	Land, shipyard	Leasehold/2075	522,720		48	659
3	PTD 101363 Mukim Plentong Johor Bahru	Land	Leasehold/2039	2,567,862	Storage area	14	13,743
4	PTD 65615 Mukim Plentong Johor Bahru	Land	Leasehold/2044	698,266	Staff quarters	40	1,668
5	PTD 65618 Mukim Plentong Johor Bahru	Land	Leasehold/2044	587,624	Staff quarters	40	1,403
6	PTD 65619 Mukim Plentong Johor Bahru	Land	Leasehold/2044	128,502	Staff quarters	40	307
7	PTD 65616 Mukim Plentong Johor Bahru	Land	Leasehold/2044	169,884	Vacant	40	406
8	PTD 65617 Mukim Plentong Johor Bahru	Land	Leasehold/2044	374,180	Vacant	40	894
9	Pasir Gudang Industrial Estate 81707 Pasir Gudang, Johor (erected on land 1 and 2 above)	Warehouse, workshops and office buildings	Leasehold/ 2073/2075	1,956,881	Marine repair, marine conversion, heavy engineering fabrication yard, ancillary facilities and office buildings	46	1,089,549
10	Rumah Pangsa MMHE 81700 Pasir Gudang (erected on land 4 to 6 above)	4-storey residential flats	Leasehold/2044	383,559	Staff quarters	45	1,499
11	PTD 71056 Mukim Plentong Johor Bahru	Land, yard	Leasehold/2045	1,524,600	Heavy engineering fabrication yard, ancillary facilities and office buildings	38	32,686
12	PTD 109040 Mukim Plentong Johor Bahru	Land	Leasehold/2053	217,800	Workshop, ancillary facilities and site office	30	5,361
13	PTD 200290 Mukim Plentong Johor Bahru	Land, yard	Leasehold/2052	2,424,158	Workshop, ancillary facilities and office buildings	15	61,551

Properties Owned by MISC Berhad and Its Subsidiaries

As at 31 December 2023

NO	LOCATION	DESCRIPTION	TENURE & YEAR LEASE EXPIRES	AREA IN SQFT	EXISTING USE	AGE OF BUILDING/ LAND (YEARS)	APPROX NBV (RM'000)
14	PTD 22768 Mukim Plentong Johor Bahru	Land	Leasehold/2040	435,600	Storage area	43	8,417
15	Lot 51611 Mukim Plentong Johor Bahru	Land	Leasehold/2045	173,514	Ancillary facilities and storage area	27	3,720
16	PTD 110760 Mukim Plentong Johor Bahru	Land	Leasehold/2052	205,603	Workshop, ancillary facilities and office buildings	30	4,911
17	PTD 110758 Mukim Plentong Johor Bahru	Land	Leasehold/2052	59,242	Cabin office and warehouse	30	1,490
18	PTD 233477 Mukim Plentong Johor Bahru	Land	Leasehold/2079	333,197	Heavy engineering fabrication yard and ancillary facilities	5	12,956
19	Lot 76, Mukim Kuala Sungai Baru, Alor Gajah, Melaka	Building	Leasehold/2046	13,474	Accommodation, meeting facilities and storage	15	Nil
20	Lot 1516, Mukim Kuala Sungai Baru (Kampus Alam, Batu 31 Kampung Tanjung Dahan Kuala Sungai Baru, Melaka)	Building	Leasehold/2046	24,210	Post sea hostel	13	Nil
21	Lot 32988, Mukim Dengkil, (No. 3505 Jalan Teknokrat 5, Cyberjaya, Selangor)	Land, building	Freehold	58,652	Office	21	29,837
22	305, The Colonnades Porchester Square, Bayswater, London W2 6AS	Apartment	Leasehold/2073	1,200	Accommodation	32	3,686
23	Galveston, Texas, USA	Land, building	Freehold	290,415	Workboats, dockage and lightering support operation	55	17,608
24	Rivium 1e straat 42, 2909 LE, Capelle ann den IJssel, Netherlands	Land, building	Freehold	21,140	Office	26	7,846

Statistics on Shareholdings

As at 1 March 2024

Total Number of Issued Shares : 4,463,793,103*
Class of Share : Ordinary shares
Voting Right : One vote per ordinary share held

* Inclusive of 47,400 treasury shares

Analysis of Shareholdings

Size of Shareholdings	% of Issued Share Capital#			
	No. of Shareholders	% of Shareholders	No. of Shares	
Less than 100	1,545	20.46	8,813	0.00
100 - 1,000	1,944	25.75	1,097,058	0.03
1,001 - 10,000	2,510	33.24	9,886,080	0.22
10,001 - 100,000	914	12.11	31,932,702	0.71
100,001 to less than 5% of issued shares	634	8.40	1,571,849,264	35.21
5% and above of issued shares	3	0.04	2,848,971,786	63.83
Total	7,550	100.00	4,463,745,703	100.00

Excludes 47,400 ordinary shares bought back by the Company and held as treasury shares as at 1 March 2024.

Directors’ Shareholdings in the Company

None of the Directors have any interest in the shares of the Company.

Directors’ Shareholdings in Related Corporation

PETRONAS Chemicals Group Berhad

No.	Name of Directors	No. of Shares			
		Direct Interest	%	Indirect Interest	%
1	Mohammad Suhaimi Mohd Yasin	6,000	0.00	-	-
2	Wan Shamilah Wan Muhammad Saidi	6,000	0.00	-	-

Substantial Shareholders

No.	Name of Substantial Shareholders	No. of Shares			
		Direct Interest	%#	Indirect Interest	%#
1	Petroliam Nasional Berhad	2,276,583,900	51.00	-	-
2	Employees Provident Fund Board	551,341,611	12.35	-	-
3	Kumpulan Wang Persaraan (Diperbadankan)	230,429,600	5.16	11,016,200	0.25

Excludes 47,400 ordinary shares bought back by the Company and held as treasury shares as at 1 March 2024.

Statistics on Shareholdings

As at 1 March 2024

30 Largest Shareholders as at 1 March 2024

No.	Name of Shareholders	No. of Shares	%#
1	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD	2,276,583,900	51.00
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	341,958,286	7.66
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	230,429,600	5.16
4	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM BUMIPUTERA	205,182,800	4.60
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	146,097,775	3.27
6	STATE FINANCIAL SECRETARY SARAWAK	67,466,667	1.51
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (415321)	51,891,800	1.16
8	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM MALAYSIA	50,884,100	1.14
9	PENANG DEVELOPMENT CORPORATION	50,800,000	1.14
10	PERMODALAN NASIONAL BERHAD	33,817,200	0.76
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	33,283,260	0.75
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (1)	32,370,000	0.73
13	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM MALAYSIA 3	28,868,200	0.65
14	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	26,718,220	0.60
15	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	24,444,396	0.55
16	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	23,629,802	0.53
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC ITTIKAL FUND (N14011970240)	21,987,600	0.49
18	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM MALAYSIA 2 - WAWASAN	21,660,500	0.49
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	21,243,100	0.48
20	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM BUMIPUTERA 2	19,083,800	0.43

Statistics on Shareholdings

As at 1 March 2024

30 Largest Shareholders as at 1 March 2024 (cont'd)

No.	Name of Shareholders	No. of Shares	% [#]
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	16,569,900	0.37
22	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM BUMIPUTERA 3 - DIDIK	16,421,300	0.37
23	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC DIVIDEND FUND	13,900,360	0.31
24	HSBC NOMINEES (ASING) SDN BHD JPMSE LUX FOR ROBECO CAPITAL GROWTH FUNDS	13,434,000	0.30
25	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	13,364,700	0.30
26	CITIGROUP NOMINEES (ASING) SDN BHD CB SPORE GW FOR GOVERNMENT OF SINGAPORE (GIC C)	11,552,299	0.26
27	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	11,529,858	0.26
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	11,159,000	0.25
29	CARTABAN NOMINEES (ASING) SDN BHD BBH CO BOSTON FOR FIDELITY SALEM STREET TRUST - FIDELITY SAI EMERGING MARKETS LOW VOLATILITY INDEX FUND	11,047,800	0.25
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	10,931,850	0.24
TOTAL		3,838,312,073	86.01

[#] Excludes 47,400 ordinary shares bought back by the Company and held as treasury shares as at 1 March 2024.

Corporate Information

<div><div>Board of Directors</div><div>▼</div><div>Chairman, Independent Non-Executive Director</div><div>Datuk Abu Huraira Abu Yazid</div><div>Senior Independent Non-Executive Director</div><div>Chew Liong Kim</div><div>Independent Non-Executive Directors</div><div>Datin Norazah Mohamed Razali Dato’ Tengku Marina Tunku Annuar Mohammad Suhaimi Mohd Yasin</div><div>Non-Independent Non-Executive Directors</div><div>Liza Mustapha Wan Shamilah Wan Muhammad Saidi</div><div>President/Group CEO, Non-Independent Executive Director</div><div>Captain Rajalingam Subramaniam</div></div>	<div><div>Board Audit Committee</div><div>▼</div><div>Chairman</div><div>Chew Liong Kim</div><div>Members</div><div>Mohammad Suhaimi Mohd Yasin Wan Shamilah Wan Muhammad Saidi</div><div>Board Nomination & Remuneration Committee</div><div>▼</div><div>Chairperson</div><div>Dato’ Tengku Marina Tunku Annuar</div><div>Members</div><div>Datin Norazah Mohamed Razali Wan Shamilah Wan Muhammad Saidi</div></div>	<div><div>Board Sustainability & Risk Committee</div><div>▼</div><div>Chairperson</div><div>Datin Norazah Mohamed Razali</div><div>Members</div><div>Chew Liong Kim Mohammad Suhaimi Mohd Yasin Dato’ Tengku Marina Tunku Annuar</div></div>
<div><div>Company Secretaries</div><div>Ausmal Kardin (LS 0009383) (SSM PC No. 201908001749)</div><div>Noridah Khamis (LS 0010240) (SSM PC No. 201908001731)</div></div>	<div><div>Auditors</div><div>Ernst & Young PLT Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: +603 7495 8000 Fax: +603 2095 5332</div></div>	<div><div>Place of Incorporation and Domicile</div><div>Malaysia</div><div>Stock Exchange Listing</div><div>Main Market of Bursa Malaysia Securities Berhad Stock Name: MISC Stock Code: 3816</div></div>
<div><div>Registered Office</div><div>Level 25, Menara Dayabumi Jalan Sultan Hishamuddin 50050 Kuala Lumpur Tel: +603 2264 0888 Fax: +603 2273 6602 Email: miscweb@miscbhd.com Website: www.miscgroup.com</div></div>	<div><div>Share Registrar</div><div>Boardroom Share Registrars Sdn. Bhd. 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Tel: +603 7890 4700 Fax: +603 7890 4670 Email: bsr.helpdesk@boardroomlimited.com</div></div>	

List of Abbreviations

AET	AET Pte. Ltd.
AGM	Annual General Meeting
ALAM	Akademi Laut Malaysia
BAC	Board Audit Committee
BIMCO	Baltic and International Maritime Council
BNRC	Board Nomination & Remuneration Committee
Board	The Board of Directors of MISC Berhad
bpd	Barrels per day
BSRC	Board Sustainability & Risk Committee
CAPEX	Capital expenditure
cbm	Cubic metre
CCS	Carbon capture and storage
CEO	Chief Executive Officer
CFO	Cash flows from operating activities
CG	Corporate governance
CII	Carbon Intensity Indicator
CoBE	Code of Conduct and Business Ethics
Company/ Corporation	MISC Berhad
COP28	28 th Conference of Parties @ UN's 28 th annual climate meeting
CSA	Chamber of Shipping of America
DPST	Dynamic positioning shuttle tanker
DWT	Deadweight tonnage
EES&G	Economic, environmental, social and governance
EEXI	Energy Efficiency Existing Ship Index
EPCIC	Engineering,procurement,construction, installation and commissioning
EPCICODD	Engineering,procurement,construction, installation, commissioning, operations & maintenance, decommissioning and demobilisation
ERM	Enterprise risk management
ESG	Environmental, social and governance

FCSU-I	Floating CO ₂ storage unit with injection capability
FCSU	Floating CO ₂ storage unit
FEED	Front-End Engineering Design
FLNG	Floating liquefied natural gas
FPS	Floating production system
FPSO	Floating production, storage and offloading
FSO	Floating storage and offloading
FSRP	Floating storage, regasification and powerplant
FSRU	Floating storage and regasification unit
FSU	Floating storage unit
FY2021	Financial year ended 31 December 2021
FY2022	Financial year ended 31 December 2022
FY2023	Financial year ended 31 December 2023
GAS	Gas Assets & Solutions
GHG	Greenhouse gas
GHSSE	Group Health, Safety, Security and Environment
GIA	Group Internal Audit
HSE	Health, safety and environment
HSSE	Health, safety, security and environment
IAR	Integrated Annual Report
ICT	Information and communications technology
IFRS	International Financial Reporting Standards
IMO	International Maritime Organization
INEDs	Independent Non-Executive Directors
INTERTANKO	International Association of Independent Tanker Owners
ISO	International Organization for Standardization
KPI	Key performance indicator
KRI	Key risk indicator

LBV	LNG bunker vessel
LCO ₂	Liquefied carbon dioxide
LNG	Liquefied natural gas
LNGC	LNG carrier
LOA	Limits of Authority
LTi	Lost time injury
LTIF	Lost time injury frequency
MC	Management Committee
MCCG	Malaysian Code on Corporate Governance
MCV	Modular capture vessel
MFRS	Malaysian Financial Reporting Standards
MHB	Malaysia Marine and Heavy Engineering Holdings Berhad
MIA	Malaysian Institute of Accountants
MISC/the Group	MISC Berhad and its subsidiaries, joint ventures and associate companies
MMEGA	Mega-Module Engineering & Green Architecture
MMHE	Malaysia Marine and Heavy Engineering Sdn. Bhd.
MMLR	Main Market Listing Requirements
MMS	MISC Maritime Services Sdn. Bhd.
MSOSH	Malaysian Society for Occupational Safety and Health
NBFPSO	Newbuild floating production, storage & offloading
NEDs	Non-Executive Directors
NINEDs	Non-Independent Non-Executive Directors
OBU	Offshore Business
OPEC	Organization of the Petroleum Exporting Countries
OVMSA	Offshore Vessel Management and Self Assessment
OWF	Offshore wind farm

List of Abbreviations

PCSB	PETRONAS Carigali Sdn. Bhd.
PETRONAS	Petroliaam Nasional Berhad
PETRONAS Group	PETRONAS and its subsidiaries
PGCEO	President/Group Chief Executive Officer
PRA	Project Risk Assessment
RM	Ringgit Malaysia
RMC	Risk Management Committee
RMMS	Roving Marine Marshall Services
RPTs	Related party transactions
RRPTs	Recurrent related party transactions
SDG	Sustainable Development Goals
SEEMP	Ship Energy Efficiency Management Plan
ShaPoLi	Shaft Power Limitation
SIGTTO	Society of International Gas Tanker and Terminal Operators
SPM	Single Point Mooring
STCW	Standards of Training, Certification and Watchkeeping
TCFD	Task Force on Climate-related Financial Disclosures
TMS	Talent Management System
TMSA	Tanker Management Self-Assessment
TOR	Terms of Reference
TRCF	Total recordable case frequency
UCUAs	Unsafe Conditions and Unsafe Acts
USD	United States Dollar
VLCC	Very large crude carrier
VLEC	Very large ethane carrier
ZEV	Zero-emission vessel

Section 14

ANNUAL GENERAL MEETING

212	Notice of Annual General Meeting
216	Administrative Notes Relating to the 55 th Annual General Meeting
	Form of Proxy

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifty-Fifth Annual General Meeting (“55th AGM”) of MISC Berhad (“MISC” or “the Company”) will be held on a virtual basis via Remote Participation and Electronic Voting (“RPEV”) facilities from the Broadcast Venue located at Conference Room 2, Level 17, Menara Dayabumi, Jalan Sultan Hishamuddin, 50050 Kuala Lumpur, Malaysia on Wednesday, 8 May 2024 at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1.

To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.
2.

To re-elect the following Directors who retire by rotation pursuant to Rule 21.8 of the Company’s Constitution and, being eligible, offer themselves for re-election:

(i)

Datuk Abu Huraira Abu Yazid

(ii)

Dato’ Tengku Marina Tunku Annuar

(iii)

Chew Liong Kim
3.

To approve the payment of Directors’ fees (inclusive of benefits-in-kind) up to an amount of RM2,150,000.00 from 9 May 2024 until the conclusion of the next Annual General Meeting of the Company.
4.

To re-appoint Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

As Special Business

To consider and, if thought fit, pass the following resolution, with or without modifications:

5.

Proposed renewal of authority for MISC to purchase its own shares of up to 10% of its prevailing total number of issued shares at any time (“Proposed Share Buy-Back Renewal”)

Ordinary Resolution 6

“THAT subject to compliance with the Companies Act 2016 (“Act”), MISC’s Constitution, and all prevailing laws, rules, regulations, orders, guidelines and requirements which may be applicable from time to time by Bursa Malaysia Securities Berhad (“Bursa Securities”) and/or any other relevant regulatory authority, approval and authority be and are hereby given to the Directors of the Company, to the extent permitted by law, to purchase such number of ordinary shares in MISC (“MISC Shares”) as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that the maximum aggregate number of MISC Shares which may be purchased and/or held by the Company shall not exceed 10% of its prevailing total number of issued shares at any time, and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the amount of the retained earnings of the Company for the time being.

Notice of Annual General Meeting

THAT the Directors be and are hereby authorised to deal with the MISC Shares so purchased, at their discretion, in the following manner:

- (i)

cancel the MISC Shares so purchased; or
- (ii)

retain the MISC Shares so purchased as treasury shares which may be dealt with in accordance with Section 127(7) of the Act; or
- (iii)

retain part of the MISC Shares so purchased as treasury shares and cancel the remainder of the MISC Shares,

or in any other manner as may be prescribed by the Act, all applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force and that the authority to deal with the purchased MISC Shares shall continue to be valid until all the purchased MISC Shares have been dealt with by the Directors of the Company.

THAT the authority conferred by this resolution shall be effective immediately upon the passing of this resolution and shall continue to be in force until the earlier of:

- (i)

the conclusion of the Fifty-Sixth Annual General Meeting of MISC (“56th AGM”); or
- (ii)

the expiration of the period within which the 56th AGM is required by law to be held; or
- (iii)

revoked or varied by ordinary resolution passed by the shareholders of MISC in a general meeting.

AND THAT the Directors of the Company be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary or expedient (including opening and maintaining a Central Depository System account) and to enter into and execute, on behalf of the Company, any instrument, agreement and/or arrangement with any person, and with full power to assent to any condition, modification, variation and/or amendment as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as the Directors may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the purchase by the Company of its own shares.”

6.

To transact any other business for which due notice has been given.

By Order of the Board

Ausmal Kardin (LS 0009383) (SSM PC No. 201908001749)
Noridah Khamis (LS 0010240) (SSM PC No. 201908001731)
Company Secretaries
5 April 2024
Kuala Lumpur

Notice of Annual General Meeting

Explanatory Notes on Ordinary Business

1.

Audited Financial Statements for the financial year ended 31 December 2023

This Agenda item is meant for discussion only as Section 340(1) of the Companies Act 2016 does not require the Audited Financial Statements to be formally approved by the shareholders. As such, this Agenda item is not put forward for voting.
2.

Re-election of Directors who retire by rotation pursuant to Rule 21.8 of the Company’s Constitution

Rule 21.8 provides that one-third of the Directors of the Company for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third, shall retire from office and that each Director shall retire at least once in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the Annual General Meeting at which he/she retires. The Directors to retire at such Annual General Meeting shall be the Directors who have been longest in office and the length of time a Director has been in office shall be computed from his/her last appointment or election.

The Board has endorsed the Board Nomination & Remuneration Committee’s recommendation that the Directors who retire in accordance with Rule 21.8 of the Company’s Constitution are eligible to stand for re-election on the basis that the performance of each of the retiring Director was found to be satisfactory arising from the last Board performance evaluation and the retiring Directors have effectively discharged their duties and responsibilities. The profiles of the retiring Directors are set out in the Profiles of Board of Directors on pages 132 to 135 (inclusive) of the Company’s Integrated Annual Report 2023.

The retiring Directors had abstained from deliberations and decisions on their re-election at the BNRC and Board meetings, as appropriate.
3.

Payment of Directors’ Fees (inclusive of Benefits-in-kind)

Pursuant to Section 230(1) of the Companies Act 2016, the shareholders’ approval is sought for the proposed payment of Directors’ fees (inclusive of Benefits-in-kind) to the Non-Executive Directors (“NEDs”) for the period from 9 May 2024 until the expiration of the period within which the next Annual General Meeting of the Company is required to be held, which is estimated to be RM2,150,000.00. The calculation is based on the estimated number of scheduled and/or Special Board and Board Committees’ Meetings from 9 May 2024, being the day after the 55th AGM until the conclusion of the next Annual General Meeting and on the assumption that the current Board size will be maintained until the next Annual General Meeting. The resolution is to facilitate payments of the Directors’ Fees (inclusive of Benefits-in-kind) for the financial year 2024/2025.

The Board will seek shareholders’ approval at the next Annual General Meeting in the event the proposed Directors’ Fees (inclusive of Benefits-in-kind) is insufficient.

Please refer to page 162 of the Corporate Governance Overview Statement in the Company’s Integrated Annual Report 2023 for details of the Directors’ Fees and Benefits-in-kind for the financial year ended 31 December 2023.

Explanatory Notes on Special Business

1.

Proposed Share Buy-Back Renewal

Ordinary Resolution 6, as proposed under item 5, if passed, will renew the authority granted by the shareholders at the last Annual General Meeting. The renewed authority will allow the Company to purchase its own shares of up to 10% of its prevailing total number of issued shares at any time. The renewed authority, unless revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, will expire at the conclusion of the 56th AGM of the Company or the expiration of the period within which the 56th AGM is required by law to be held, whichever occurs first.

Further information on the Proposed Share Buy-Back Renewal is set out in the statement dated 5 April 2024.

Notice of Annual General Meeting

Notes:

1.

Please note that the Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman shall be at the main venue of the AGM and in accordance with Rule 18.14 of the Company’s Constitution which allows a general meeting to be held at more than one venue, using any technology or method that enables the members of the Company to participate and to exercise the members’ right to speak and vote at the general meeting. As shareholders/proxies/corporate representatives **WILL NOT BE ALLOWED** to be physically present at or admitted to the Broadcast Venue on the day of the AGM, all members are urged to attend the 55th AGM remotely via meeting platform <https://meeting.boardroomlimited.my>. For further information on the “Remote Participation and Electronic Voting (“RPEV”)”, kindly refer to the Administrative Notes relating to the 55th AGM.
2.

Only depositors whose names appear in the Record of Depositors as at 29 April 2024 shall be entitled to attend, speak and vote at the meeting.
3.

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to exercise all or any of his rights to attend, participate, speak and vote at the meeting.
4.

A member may appoint not more than two (2) proxies to attend the same meeting. Where a member appoints two (2) proxies the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.
5.

Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account and the number of shares to be represented by each proxy must be clearly indicated.
6.

Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall not be valid unless the exempt authorised nominee specifies the proportion of the shareholding to be represented by each proxy.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
7.

Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the Form of Proxy.
8.

The Form of Proxy must be signed by the appointer of the proxy, or his attorney duly authorised in writing. In the case of a corporation, the Form of Proxy shall be executed under its common seal, or signed by its attorney duly authorised in writing or by a duly authorised officer on behalf of the corporation.
9.

The completed Form of Proxy must be deposited at the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, **not less than forty-eight (48) hours** before the time appointed for the holding of the 55th AGM, or in the event the 55th AGM is adjourned, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the adjourned 55th AGM.

Alternatively, the proxy appointment can also be lodged electronically via “Boardroom Smart Investor Portal” at <https://investor.boardroomlimited.com> before the Form of Proxy submission cut-off time as mentioned above. For further information on the lodgement of Form of Proxy electronically, kindly refer to the Administrative Notes relating to the 55th AGM.
10.

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 55th AGM will be put to vote by poll.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”); (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Administrative Notes Relating to the 55th Annual General Meeting

MISC Berhad (“the Company” or “MISC”) will continue to leverage on technology to facilitate communication and engagement with members by conducting its 55th Annual General Meeting (“55th AGM”) on a virtual basis via Remote Participation and Electronic Voting (“RPEV”) facilities on the date, time and from the Broadcast Venue, as follows:

Date	:	Wednesday, 8 May 2024
Time	:	10.00 a.m.
Broadcast Venue	:	MISC Berhad, Conference Room 2 Level 17, Menara Dayabumi Jalan Sultan Hishamuddin 50050 Kuala Lumpur, Malaysia
Meeting Platform	:	https://meeting.boardroomlimited.my
Mode of Communication	:	<div><div><div>1. During the 55th AGM, any questions can be posed to the Board via real time submission of typed texts at https://meeting.boardroomlimited.my during the live steaming. The Messaging window facility will be opened concurrently with the Virtual Meeting Portal, i.e. one (1) hour before the AGM, which is from 9.00 a.m. on Wednesday, 8 May 2024.</div><div>2. Shareholders may submit questions in advance via Boardroom Smart Investor Portal website at https://investor.boardroomlimited.com using the same user ID and password provided in Step 2 below, and select “SUBMIT QUESTION” to pose questions or email to MISC Investor Relations at investor.relations@miscbhd.com commencing from 5 April 2024 and in any event no later than Monday, 6 May 2024 at 10.00 a.m.</div></div><div>The Chairman/Board will endeavor to respond to relevant questions during the Questions and Answers Session at the AGM. If there is time constraint, the responses to relevant questions will be published on the Company’s website at the earliest possible, after the AGM.</div></div>

Please note that the Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman shall be at the main venue of the AGM and in accordance with Rule 18.14 of the Company’s Constitution which allows a general meeting to be held at more than one venue, using any technology or method that enables the members of the Company to participate and to exercise the members’ right to speak and vote at the general meeting. As shareholders/proxies/ corporate representatives **WILL NOT BE ALLOWED** to be physically present at or admitted to the Broadcast Venue on the day of the AGM, all members are urged to attend the 55th AGM remotely via meeting platform <https://meeting.boardroomlimited.my>.

Administrative Notes Relating to the 55th Annual General Meeting

VOTING PROCEDURE

1. The voting at the 55th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

2. MISC has appointed Boardroom Share Registrars Sdn. Bhd. (“Boardroom”) as Poll Administrator to conduct the poll by way of electronic voting (“e-voting”) and SKY Corporate Services Sdn. Bhd. as Scrutineers to verify the poll results.

3. For the purposes of this AGM, e-voting will be carried out via personal smart mobile phones, tablets, personal computers or laptops.

4. Members and proxies are required to use one (1) of the following methods to vote remotely:

(i) launch **Lumi AGM** by scanning the QR code given in the email to you; or

(ii) access to **Lumi AGM** via website <https://meeting.boardroomlimited.my>.

5. The polling will only commence after such announcement by the Chairman and until such time when the Chairman announces the closure of poll.

6. Upon closure of the poll session by the Chairman, the Scrutineers will verify the poll result reports and thereafter announce the results, followed by the Chairman’s declaration whether the resolutions put to vote are duly passed.

7. You must ensure that you are connected to the internet at all times in order to participate and vote remotely when the 55th AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the AGM is maintained. Kindly note that the quality of the connectivity to Virtual Meeting Portal for live webcast as well as for remote online voting is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.

PROCEDURE FOR REMOTE PARTICIPATION AND ELECTRONIC VOTING (“RPEV”)

1. Please note that the RPEV facilities is available to **(i) Individual Shareholders; (ii) Corporate Shareholders; (iii) Authorised Nominees; and (iv) Exempt Authorised Nominees**.

2. By participating in the meeting, you will be able to view a live webcast of the meeting, ask questions and submit your votes in real time whilst the meeting is in progress.

Administrative Notes Relating to the 55th Annual General Meeting

3. Kindly follow the steps below on how to request for login ID and password.

BEFORE THE 55TH AGM

Step 1 – Register Online with Boardroom Smart Investor Portal (“BSIP”)

Note: For first time registration only. If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2 – Submit Request for Remote Participation User ID and Password.

a. Access BSIP website at <https://investor.boardroomlimited.com>.

b. Click <<Register>> to sign up as a user.

c. Select the correct account type i.e. sign up as “Shareholder” or “Corporate Holder”.

d. Complete registration with all required information. Upload a softcopy of your MyKad (front and back) or Passport. For Corporate Holder, kindly attach the authorisation letter as well. Click “Sign Up”.

e. You will receive an email from Boardroom for email address verification. Click “Verify Email Address” from the email received to continue with the registration.

f. Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click “Request OTP Code” and an OTP code will be sent to your registered mobile number. Please enter the OTP Code to complete the process.

g. Your registration will be verified and approved within one (1) business day and email notification will be provided to you.

Step 2 – Submit Request for Remote Participation User ID and Password

Note: The registration for remote access will be opened on 5 April 2024.

For Shareholders

a. Login to BSIP website at <https://investor.boardroomlimited.com> using your User ID and Password from Step 1 above.

b. Select “MISC BERHAD FIFTY-FIFTH (55TH) ANNUAL GENERAL MEETING” from the list of Corporate Meetings and click “Enter”.

(i) To attend the virtual meeting

a. Click on “Register for RPEV”.

b. Read and agree to the terms & conditions and click “Next”.

c. Enter your CDS Account Number and thereafter submit your request.

(ii) To appoint proxy

a. Click on “Submit eProxy Form”.

b. Select the company you would like to be represented (applicable to Corporate Shareholder that represent more than one company only).

c. Enter your CDS Account Number and number of securities held.

d. Select your proxy - either the Chairman of the meeting or individual named proxy(ies).

e. Read and accept the General Terms and Conditions by clicking “Next”.

f. Enter the required particulars of your proxy(ies).

g. Indicate your voting instructions – **FOR** or **AGAINST** or **ABSTAIN**. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate **DISCRETIONARY**.

h. Review and confirm your proxy(ies) appointment and click “Apply”.

i. Download or print the eProxy Form as acknowledgement.

Note for Corporate Shareholders: If you are the authorised representative for more than one (1) corporate shareholder, kindly click the home button and select “Edit Profile” in order to add Company name.

For Corporate Shareholders (via email)

a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Shareholder, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request.

b. Please provide a copy of the Corporate Representative’s or Proxy Holder’s MyKad (front and back) or Passport together with his/her email address.

Administrative Notes Relating to the 55th Annual General Meeting

For Authorised Nominee and Exempt Authorised Nominee

Via BSIP

a. Login to BSIP website at <https://investor.boardroomlimited.com> using your User ID and Password from Step 1 above.

b. Select “MISC BERHAD FIFTY-FIFTH (55TH) ANNUAL GENERAL MEETING” from the list of Corporate Meetings and click “Enter”.

c. Click on “Submit eProxy Form”.

d. Select the company you would like to be represented (if more than one).

e. Proceed to download the file format for “Submission of Proxy Form”.

f. Prepare the file for the appointment of proxy(ies) by inserting the required data.

g. Proceed to upload the duly completed proxy appointment file.

h. Review and confirm your proxy(ies) appointment and click “Submit”.

i. Download or print the eProxy form as acknowledgement.

Note: If you are the authorised representative for more than one (1) authorised nominee/exempt authorised nominee, kindly click the home button and select “Edit Profile” in order to add Company name.

Via email

a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Shareholder, CDS Account Number accompanied with the Form of Proxy to submit the request.

b. Please provide a copy of the Proxy Holder’s MyKad (front and back) or Passport together with his/her email address.

Email Notification

You will receive a notification from Boardroom that your request has been received and is being verified.

Upon system verification of your registration against the **AGM’s Record of Depositors as at 29 April 2024**, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.

You will also receive your remote access User ID and Password along with an email from Boardroom if your registration is approved.

You are encouraged to submit your request **at least twenty-four (24) hours before the commencement of AGM, i.e. by Tuesday, 7 May 2024 at 10.00 a.m.**, to avoid any delay in the registration process.

ON THE 55TH AGM DAY

Step 3 – Login to Virtual Meeting Portal

Note: Please note that the quality of the connectivity to the Virtual Meeting Portal for live webcast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.

a. The Virtual Meeting Portal will be opened for login starting one (1) hour before the commencement of AGM, which is from **9.00 a.m. on Wednesday, 8 May 2024**.

b. Please follow the steps given to you in the email along with your remote access User ID and Password to login to the Virtual Meeting Portal (Refer to Step 2 above).

c. The steps given will also guide you on how to view live webcast, ask questions and vote.

d. The live webcast will end and the Messaging window (for asking questions) will be disabled once the Chairman announces the closure of the AGM.

e. You can then logout from the Virtual Meeting Portal.

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Administrative Notes Relating to the 55th Annual General Meeting

LODGEMENT OF FORM OF PROXY

- Members who are unable to participate remotely in the AGM are encouraged to appoint the Chairman of the Meeting or their proxy to vote on their behalf.
- Please deposit your completed Form of Proxy at the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. at **11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia**, not less than forty-eight (48) hours before the time appointed for the holding of the 55th AGM, i.e. latest by **Monday, 6 May 2024 at 10.00 a.m.**
- Alternatively, the proxy appointment can also be lodged electronically via BSIP website at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time appointed for the holding of the 55th AGM, i.e. latest by **Monday, 6 May 2024 at 10.00 a.m.** For further information, kindly refer to **“Procedure for Remote Participation and Electronic Voting”** above.
- The lodging of the Form of Proxy will not preclude you from personally participating remotely and voting at the 55th AGM should you subsequently wish to do so.

Should you wish to personally participate remotely in the AGM, kindly register your intention to participate remotely via BSIP website at <https://investor.boardroomlimited.com>. Please note that upon your registration to personally participate remotely in the AGM, your earlier proxy appointment will be deemed revoked. Alternatively, please write in to bsr.helpdesk@boardroomlimited.com or login to BSIP website (as the case maybe) to revoke your earlier proxy appointment no later than **Monday, 6 May 2024 at 10.00 a.m.**

INTEGRATED ANNUAL REPORT 2023

As part of our commitment to sustainable practices, the MISC Integrated Annual Report 2023 can be downloaded from our website at www.miscgroup.com/investor-relations and Bursa Malaysia’s website at www.bursamalaysia.com under Company Announcements.

You may request for a printed copy of the Integrated Annual Report 2023 via BSIP website at <https://investor.boardroomlimited.com> by selecting “Request for Annual Report and Circular” under the “Investor Services”.

NO RECORDING OR PHOTOGRAPHY

Recording or photography of the proceedings of the AGM is strictly prohibited.

ENQUIRY & HELPLINE CONTACT

Should you have any enquiry prior to the AGM or if you wish to request for technical assistance to participate at the AGM, please contact Boardroom team during office hours on Monday to Friday from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Boardroom Share Registrars Sdn. Bhd.
Syahirah Rahimi / Alice Tey
General Line: +603 7890 4700
Email: bsr.helpdesk@boardroomlimited.com

PERSONAL DATA PRIVACY

By registering for the remote participation and electronic voting and/or by submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”); (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Form of Proxy

CDS Account No.	No. of Shares Held



I/We _____ (Full name in block letters)

NRIC/Passport/Company No. : _____ of _____

(Full address)

being a member/members of **MISC BERHAD**, do hereby appoint _____

(Full name in block letters as per identity card/passport)

NRIC/Passport No. : _____ of _____

(Full address)

(Contact No.) _____ (Email address)

and/or failing him/her _____

(Full name in block letters as per identity card/passport)

NRIC/Passport No. : _____ of _____

(Full address)

(Contact No.) _____ (Email address)

and failing the abovenamed proxies, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Fifty-Fifth Annual General Meeting (“55th AGM”) of the Company to be held virtually via Remote Participation and Electronic Voting (“RPEV”) facilities at the Broadcast Venue located at Conference Room 2, Level 17, Menara Dayabumi, Jalan Sultan Hishamuddin, 50050 Kuala Lumpur, Malaysia on Wednesday, 8 May 2024 at 10.00 a.m. and at any adjournment thereof. My/our proxy is to vote as indicated below:

RESOLUTIONS	NO.	FOR	AGAINST
Re-election of Datuk Abu Huraira Abu Yazid as Director pursuant to Rule 21.8 of the Company’s Constitution.	Ordinary Resolution 1		
Re-election of Dato’ Tengku Marina Tunku Annuar as Director pursuant to Rule 21.8 of the Company’s Constitution.	Ordinary Resolution 2		
Re-election of Chew Liong Kim as Director pursuant to Rule 21.8 of the Company’s Constitution.	Ordinary Resolution 3		
Approval for payment of Directors’ fees (inclusive of benefits-in-kind) up to an amount of RM2,150,000.00 from 9 May 2024 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 4		
Re-appointment of Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
Proposed Share Buy-Back Renewal.	Ordinary Resolution 6		

Please indicate with an “X” in the space whether you wish your votes to be cast for or against the resolutions. In the absence of such specific directions, your proxy will vote or abstain as he/she thinks fit.

Dated this _____ day of _____, 2024

Signature(s)/Common Seal of Member(s) Contact No.: _____ Email address: _____		The proportions of my/our shareholding to be represented by my/our proxies are as follows:	
		No. of shares	Percentage
First Proxy			
Second Proxy			
Total			100%

Notes:

1. Please note that the Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman shall be at the main venue of the AGM and in accordance with Rule 18.14 of the Company's Constitution which allows a general meeting to be held at more than one venue, using any technology or method that enables the members of the Company to participate and to exercise the members' right to speak and vote at the general meeting. As shareholders/proxies/corporate representatives **WILL NOT BE ALLOWED** to be physically present at or admitted to the Broadcast Venue on the day of the AGM, all members are urged to attend the 55th AGM remotely via meeting platform <https://meeting.boardroomlimited.my>. For further information on the "Remote Participation and Electronic Voting ("RPEV")", kindly refer to the Administrative Notes relating to the 55th AGM.
2. Only depositors whose names appear in the Record of Depositors as at 29 April 2024 shall be entitled to attend, speak and vote at the meeting.
3. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to exercise all or any of his rights to attend, participate, speak and vote at the meeting.
4. A member may appoint not more than two (2) proxies to attend the same meeting. Where a member appoints two (2) proxies the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account and the number of shares to be represented by each proxy must be clearly indicated.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised

nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall not be valid unless the exempt authorised nominee specifies the proportion of the shareholding to be represented by each proxy.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

7. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the Form of Proxy.
8. The Form of Proxy must be signed by the appointer of the proxy, or his attorney duly authorised in writing. In the case of a corporation, the Form of Proxy shall be executed under its common seal, or signed by its attorney duly authorised in writing or by a duly authorised officer on behalf of the corporation.
9. The completed Form of Proxy must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, **not less than forty-eight (48) hours** before the time appointed for the holding of the 55th AGM, or in the event the 55th AGM is adjourned, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the adjourned 55th AGM.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 55th AGM will be put to vote by poll.

Alternatively, the proxy appointment can also be lodged electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com> before the Form of Proxy submission cut-off time as mentioned above. For further information on the lodgement of Form of Proxy electronically, kindly refer to the Administrative Notes relating to the 55th AGM.

MISC Berhad

Annual General Meeting
8 May 2024

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Stamp

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia



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