



**Powering**  
Resilience.  
Collaboration.  
Efficiency.  
Transformation.  
Progress.  
**Tomorrow**

# Powering

2022 was the year that we intensified our efforts in strengthening our fundamentals, as we continue to focus on project delivery and execution excellence.

These efforts are critical to powering our resilience and expanding our capabilities and capacity for new growth areas to grow sustainably and create value in the long term.

This includes investing in the development of our talents at sea and shore, strengthening our leadership bench strength, and harnessing digital transformation that will enable us to be future-focused.

We will continue fostering strategic collaborations with our stakeholders, to deliver positive business outcomes and drive value creation across the ecosystem as we continue to build a sustainable future together.

# Tomorrow

# Inside This Report

<b>2</b>	About This Report	<b>BUSINESS REVIEW</b>	<b>240</b>	<b>ADDITIONAL INFORMATION</b>	
	<b>WHO WE ARE</b>	<b>108</b>	Gas Assets & Solutions	<b>240</b>	MISC Group Structure
<b>8</b>	About MISC	<b>112</b>	Petroleum & Product Shipping	<b>244</b>	Properties Owned by MISC Berhad & Its Subsidiaries
<b>10</b>	What We Do	<b>118</b>	Offshore Business	<b>246</b>	List of Vessels & Assets
<b>16</b>	How We Move Energy	<b>124</b>	Marine & Heavy Engineering	<b>255</b>	Statistics on Shareholdings
<b>18</b>	Where We Operate	<b>130</b>	Integrated Marine Services	<b>259</b>	Corporate Information
	<b>KEY MESSAGES</b>	<b>134</b>	Port Management & Maritime Services	<b>260</b>	List of Abbreviations
<b>22</b>	Chairman's Message	<b>138</b>	Maritime Education & Training		<b>ANNUAL GENERAL MEETING</b>
<b>28</b>	President/Group CEO's Message	<b>144</b>	People Development	<b>266</b>	Notice of Annual General Meeting
	<b>HIGHLIGHTS</b>	<b>146</b>	Operating Safely & Sustainably	<b>271</b>	Administrative Notes relating to the 54 <sup>th</sup> Annual General Meeting Form of Proxy
<b>34</b>	Key Highlights 2022	<b>148</b>	Operating Responsibly		
<b>36</b>	A Look Back at 2022		<b>LEADERSHIP</b>		
	<b>STRATEGIC REVIEW</b>	<b>152</b>	Our Board at a Glance		
<b>42</b>	Strategic Overview	<b>154</b>	Our Board of Directors		
<b>46</b>	How We Create Value	<b>156</b>	Profiles of the Board of Directors		
<b>52</b>	Our Strategic Focus	<b>162</b>	Our Management Committee		
<b>57</b>	Our Material Matters	<b>164</b>	Profiles of the Management Committee		
<b>61</b>	Our Stakeholders		<b>GOVERNANCE</b>		
<b>63</b>	Our Operating Environment	<b>172</b>	Corporate Governance Overview Statement		
<b>71</b>	Our Risks and Mitigation Strategies	<b>195</b>	Nomination & Remuneration Committee Report		
<b>76</b>	Delivering Our Strategy	<b>203</b>	Board Audit Committee Report		
	<b>SUSTAINABILITY</b>	<b>212</b>	Board Sustainability & Risk Committee Report		
<b>86</b>	Anchoring Sustainability @ MISC	<b>218</b>	Statement on Risk Management & Internal Control		
	<b>FINANCIAL REVIEW</b>	<b>236</b>	Statement of Directors' Responsibility		
<b>96</b>	Group Financial Review	<b>237</b>	Additional Compliance Information		
<b>101</b>	Financial Calendar				
<b>102</b>	Five-Year Group Financial Performance				
<b>104</b>	Statement of Value Added and Value Distributed				

# ABOUT THIS REPORT

We are pleased to present MISC Berhad's 2022 Integrated Annual Report in which we have adopted the International <IR> Framework as issued by the IFRS Foundation in January 2021. This aims to provide report users with clarity on how MISC has embedded integrated thinking into our business model as we continue to create value for our business and our stakeholders.

## MISC'S 2022 INTEGRATED REPORT SUITE

For 2022, we developed disclosures in our reports based on the following reporting frameworks.



### Integrated Annual Report (IAR) 2022

- Developed to provide shareholders and other stakeholders with a transparent and accountable narrative of our business activities and financial and non-financial performance for the year
- Provides an account of the external environment and outlook, our business model and strategy, financial statements and approach to material matters, corporate governance and risk management

#### Reporting Frameworks:

- International <IR> Framework issued by the IFRS Foundation in 2021
- Main Market Listing Requirements of Bursa Malaysia
- Companies Act 2016
- Malaysian Code on Corporate Governance 2021
- Corporate Governance Guide (3rd edition) issued by Bursa Malaysia
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)



### Sustainability Report (SR) 2022

- Complements sustainability-related information shared in various sections in this report
- Present details of our management and performance of material Environmental, Social and Governance (ESG) matters as part of our continuous efforts to provide our stakeholders with better transparency of our ESG performance
- Includes our Task Force on Climate-related Financial Disclosures Report

#### Reporting Frameworks:

- Bursa Malaysia Sustainability Reporting Guide
- Global Reporting Initiative (GRI) Standards
- Sustainability Accounting Standards Board (SASB) Standards
- Dow Jones Sustainability Index (DJSI)
- Carbon Disclosure Project (CDP)
- Transition Pathway Initiative (TPI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- AA1000 Stakeholder Engagement Standard
- United Nations Global Compact Guiding Principles
- United Nations Guiding Principle on Human Rights
- Principles of climate governance by World Economic Forum



### Financial Report (FR) 2022

- Provides all our financial statements and Directors' Report on MISC's financial performance for the year under review
- Includes our Independent Auditors' Report which provides assurance on the faithful presentation of the Group's financial performance

#### Reporting Frameworks:

- Malaysian Code on Corporate Governance 2021
- Main Market Listing Requirements of Bursa Malaysia
- Companies Act 2016
- MFRS
- IFRS

## REPORTING SCOPE AND BOUNDARIES

This 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 Group's activities and performance for the financial year ended 31 December 2022. It also includes any material events that occurred after this date up to the date of publication.

Information presented pertain to the Group's business activities and operations which includes Gas Assets & Solutions, Petroleum & Product Shipping, Offshore Business, Marine & Heavy Engineering, Integrated Marine Services, Port Management & Maritime Services and Maritime Education & Training. It also covers the material business activities of our joint ventures and associates.

## DEMONSTRATING OUR INTEGRATED THINKING

We have sought to provide a contextualised account of how the Group has created value by employing our corporate and sustainability strategies. Wherever possible, this presents relevant targets and performance indicators to quantify MISC's financial and operational performance for the year under review.

We recognise the strong linkages between economic, environmental, social and governance matters, and the high degree of influence these have on MISC's value creation abilities and outcomes. As such, we seek to provide:

- An insight into how our strategy creates sustainable value for our stakeholders;
- An account of our value creation journey for the year under review, taking into account our strategic targets; and
- An orientation of where we are, where we aim to be and how we plan to address the expectations and challenges ahead, taking into account our past experiences.

## ASSURANCE

This IAR has third party assurance for the following:

- Our external auditors, Ernst & Young PLT, provide assurance on the audited financial statements. Details can be found in the Financial Statements section of FR2022.
- Each of our vessel's fuel consumption and relevant activity data have been verified by a third party i.e. DNV confirming the data was collected and reported in accordance with the methodology and processes set out in the ship's Ship Energy Efficiency Management Plan (SEEMP) as required by Regulation 22A of Annex VI of MARPOL Convention.

The internal team has maintained its continuous oversight to ensure that data provided are reliable.

## 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

It contains forward-looking statements which shares the Group's expectations of its future value creation prospects. These forward-looking statements involve a marked degree of uncertainty due to the continually changing operating environment and the uncertainties of the industry within which MISC operates. This could result in actual results differing from those stated in the forward-looking statements.

## ABBREVIATIONS AND ACRONYMS

A list of the abbreviations and acronyms used in this Report can be found on pages 260 to 263.

# ABOUT THIS REPORT

## NAVIGATION ICONS

The following navigation icons are used throughout this report:

### OUR SIX CAPITALS

 Financial Capital	 Human Capital	 Intellectual Capital
 Physical Capital	 Social & Relationship Capital	 Natural Capital

### OUR MATERIAL MATTERS

 Financial Performance	 Digitalisation
 Values, Governance and Business Ethics	 Ocean Health
 Talent Attraction	 Air Emissions
 Climate Change	 Diversity and Inclusion
 Energy Management	 Business Knowledge
 Natural Resource Use	 Health and Safety
 Waste Management	 Community Investment
 Water Management	 Cybersecurity
 Human Rights	 Security
 Sustainable Supply Chain	

### CROSS REFERENCES

 Integrated Annual Report	 Sustainability Report
 Financial Report	

### OUR STAKEHOLDERS

-  Government/ Regulatory
-  Shareholders/ Investors
-  Financial Providers
-  Customers
-  Employees
-  Suppliers/ Vendors / Insurance (Critical)
-  Business Partners
-  Media
-  Trade Associations/ NGOs/ Activist Groups
-  Suppliers/ Vendors (Non-critical)
-  Industry Peers
-  Academic Organisations
-  Communities

## RESPONSIBILITY STATEMENT

MISC's Board of Directors acknowledges its responsibility in ensuring the integrity of this Integrated Annual Report. This report has been presented in accordance with the International Integrated Reporting <IR> Framework. This Report was approved by the Board on 23 February 2023.

**DATUK ABU HURAIRA ABU YAZID**  
Chairman

**CAPTAIN RAJALINGAM SUBRAMANIAM**  
President/Group Chief Executive Officer

## INVESTOR RELATIONS

The Group's Corporate Disclosure Guidelines are governed by respective management



 Further information can be found on our website [www.misc.com.my](http://www.misc.com.my)

 Contact us at [miscweb@miscbhd.com](mailto:miscweb@miscbhd.com)

 **Business Solutions**  
[misc.com.my/solutions](http://misc.com.my/solutions)

 **Investor Relations**  
The Group's Corporate Disclosure Guidelines are governed by respective management  
[misc.com.my/investor-relations](http://misc.com.my/investor-relations)  
Contact us at [investor.relations@miscbhd.com](mailto:investor.relations@miscbhd.com)

 **Sustainability**  
[misc.com.my/sustainability](http://misc.com.my/sustainability)  
Contact us at [misc.sustainability@miscbhd.com](mailto:misc.sustainability@miscbhd.com)

 **Corporate Governance**  
[misc.com.my/corporate-governance](http://misc.com.my/corporate-governance)

# WHO WE ARE

About MISC	8
What We Do	10
How We Move Energy	16
Where We Operate	18

# ABOUT MISC

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.

Operating a modern and diversified fleet and powered by a multi-national workforce, MISC is firmly committed to creating value for our stakeholders and contributing to the sustainable development of the maritime industry.



## VISION

To consistently provide better energy related maritime solutions and services

## 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



## SHARED VALUES

**Loyalty**  
Loyal to corporation

**Integrity**  
Honest and upright

**Professionalism**  
Strive for excellence

**Cohesiveness**  
United, trust and respect for each other

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

Among the world's **LEADING** shipping conglomerates with a market capitalisation of **USD7.6 billion**

**STRONG** credit rating in the marine transport sector



S&P Global Ratings

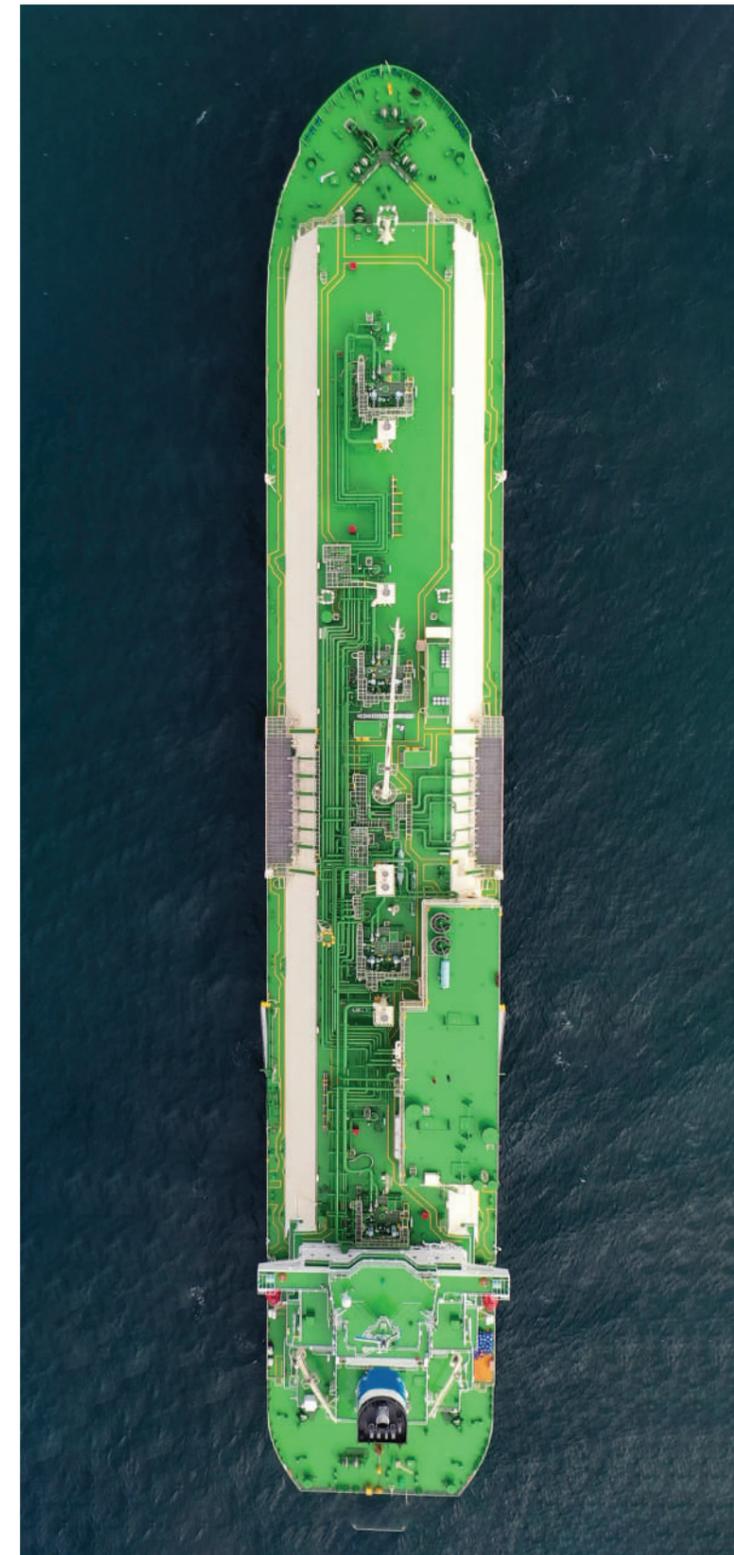


Moody's Investors Service

Modern fleet of **107** LNG, Petroleum and Product vessels

Reputable FPS owner-operator with **12** assets

A diverse and inclusive workforce of **9,355** employees from over 44 nationalities



# WHAT WE DO



LNG carriers (LNGCs) transport natural gas in a liquid state, allowing it to be moved across oceans without pipelines. The containment systems on board the vessels are capable of storing natural gas at below its boiling point of -162° Celsius. At this temperature, the gas turns to liquid, thus reducing volume by 600 times. MISC's fleet of LNGCs utilise two types of containment systems, known as membrane and Moss types.



### Physical Capital

- 39 vessels
- 16 vessels under construction



### Services Performed

- Transportation of LNG and ethane
- New LNG asset-based solutions
- Technological solutions for FSU



### Competitive Advantage

- Sterling reputation for operational excellence
- Consistent track record of reliable and on-time cargo deliveries
- Leveraging on our proven industry experience to successfully expand into the emerging sectors of LNG bunkering vessels and very large ethane carriers

#### MEMBRANE-TYPE LNGC

The membrane-type system is more space efficient and has a higher capacity than a Moss-type vessel of the same dimension.



#### VERY LARGE ETHANE CARRIER (VLEC)

A specialised gas carrier which transports very large quantities of liquified ethane for trading over long distances, for example between North America and the Far East. The vessel transports ethane at -94° Celsius in membrane tanks and is equipped with dual-fuel propulsion and reliquefaction systems.

#### LNG BUNKER VESSEL (LBV)

An LBV is a small-scale LNG vessel used to supply LNG as marine fuel (bunker) to LNG-fuelled vessels via ship-to-ship transfer operations. This vessel can also be utilised for small-scale LNG transportation, and for Gas Up Cool Down (GUCD) operations for conventional LNG vessels.

#### MOSS-TYPE LNGC

A Moss-type vessel has self-supporting spherical tanks making it more robust and resistant to sloshing. It possesses a higher degree of operational flexibility for worldwide trading capability including the ability to load cargos at a floating liquefied natural gas (FLNG) unit.



#### FLOATING STORAGE UNIT (FSU)

An FSU is a flexible LNG storage solution and provides an alternative to land-based facilities.



We own and operate a diversified fleet of specialised assets and conventional tankers in all key geographies to deliver services to the global energy companies, refiners and traders. Our product fleet transports a wide range of petroleum products, chemicals and vegetable oils. Our specialised assets provide critical support to the oil and gas industry.



### Physical Capital

- 68 vessels
- 3 vessels under construction



### Services Performed

- Conventional Services
  - Transportation of crude oil, petroleum products and chemicals
- Specialised Services
  - Owner and operator of DPSTs in the North Sea and Brazil
  - Provision of lightering services in the US Gulf and Latin America



### Competitive Advantage

- Advancing green shipping solutions with modern and technologically advanced fuel-efficient vessels
- Industry pioneers in the fields of modular capture vessels and LNG dual-fuel vessels
- Focused people investments to expand their sea and onshore skills and capabilities

#### SUEZMAX TANKER

Tanker vessel with 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.



#### 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 trade.



#### 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.



#### 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.



#### MODULAR CAPTURE VESSEL (MCV)

A modular Aframax-sized vessel that combines FPSO and dynamic positioning technology in a single hull to enable safe capture of hydrocarbons. The MCV is part of an innovative marine system solution designed to respond to a subsea well control incident.



#### LIGHTERING SUPPORT VESSEL (LSV)

Transports equipment and crew to conduct ship-to-ship cargo transfer operations.



#### CHEMICAL TANKER

Transports a variety of chemicals and vegetable oils in both inter and intra-regional trades.



#### LR2 TANKER

Coated tanker with the capacity to transport approximately 0.7 million barrels and able to carry both clean and dirty products in regional trades.

# WHAT WE DO



FPSOs and FSOs have become an effective way of extracting hydrocarbons in many offshore oil and gas producing regions around the world. Vessel sizes depend on the oil and condensed storage capacity requirements and the vessels are secured to the seabed via mooring systems which are determined by the environment in which they operate.



### Physical Capital

- 12 offshore floating solutions
- 1 FPSO under construction



### Services Performed

- Engineering, procurement, construction, installation, commissioning, operations and maintenance, decommissioning and demobilisation (EPCICODD) solutions
- Own, operate and maintain offshore floating assets to extract, store and offload hydrocarbons to shuttle tankers



### Competitive Advantage

- Highly skilled workforce
- Strong relationships of mutual trust with key Asia-based partners, subcontractors and suppliers
- Outstanding contractual deliveries



1 UNIT

### SEMI-SUBMERSIBLE FLOATING PRODUCTION SYSTEM (SEMI-FPS)

A large pontoon-like structure submerged below the sea surface at a predetermined depth with an FPS that receives fluids such as crude oil, water and others from a subsea reservoir through risers. Topside production facilities separate the fluids into crude oil, natural gas, water and impurities. Our Semi-FPS operates at a depth of 1,400 metres. The oil is exported via a 200-kilometre long pipeline to an oil and gas terminal in Kimanis, Sabah.



6 VESSELS

### FLOATING PRODUCTION, STORAGE AND OFFLOADING (FPSO)

A vessel-type production system that receives full well stream fluids such as crude oil, water and others from a subsea reservoir through risers. It has topside production facilities that separate the fluids into crude oil, natural gas, water and impurities. It also has storage tanks where processed crude oil is stored. Crude oil is offloaded onto tankers for further refining onshore. It can be designed with the capability of staying on location for continuous operations for 20 years or longer.

### 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.



5 VESSELS



The assets we own and operate are those which enable us to provide comprehensive marine services for a wide range of offshore facilities and vessels within our six major solutions of offshore, onshore, conversion, marine repair and refurbishment, plant maintenance and turnaround and other services.



### Physical Capital

- Dry Dock 1,2 and 3
- Fabrication yards
- Land berth cranes



### Services Performed

- Heavy Engineering Segment
  - Wide range of EPCIC services for offshore facilities
  - Fabrication services for onshore modules and facilities
- Marine Segment
  - Conversion of offshore facilities in one location
  - Repair and refurbishment for various types of vessels, rigs and marine facilities
- Plant Maintenance and Turnaround
  - Plant shutdown and maintenance
  - Routine maintenance and upgrading works



### Competitive Advantage

- Own and operate one of the region's largest marine and heavy engineering facilities
- The only Malaysian yard with the capacity and skills to undertake complex offshore mega structures and marine facilities projects



### HEAVY ENGINEERING ASSETS

We have the largest fabrication area by tonnage capacity in Malaysia, to provide EPCIC of complex structures for offshore and onshore facilities.



### MARINE BUSINESS ASSETS

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

## WHAT WE DO



## Services Performed

- Shipmanagement, engineering and procurement
- Project management - supervision and consultancy service for dry docking and new building of vessels



## Competitive Advantage

- Specialised experience in niche areas of LNG bunkering vessels, very large ethane carriers, floating storage and regasification, dynamic positioning shuttle tankers, dual-fuel crude tankers and modular capture vessel
- Deep knowledge of regional shuttle tanker trade in the Brazilian basin and Northern Europe
- Globally renowned shipmanagement company, with stellar track record for the highest quality and standards of delivery



## Services Performed

- Operator of ports and terminals
- Pilotage, mooring master, loading master and marine controller services
- Jetty maintenance services
- Single Point Mooring maintenance services
- Logistic support services
- Ship vetting services
- Offshore vessel inspection services
- Marine assurance and consultancy services which includes ship screening, TMSA, OVMSA and RMMS



## Competitive Advantage

- Strong industry reputation, with more than two decades of experience in port and terminal operations, and maritime services
- Own proprietary digital applications for VIS and OSVIS
- The acknowledged and preferred operator for the Terengganu Crude Oil Terminal, Miri Crude Oil Terminal, Bintulu Crude Oil Terminal and Sabah Oil and Gas Terminal



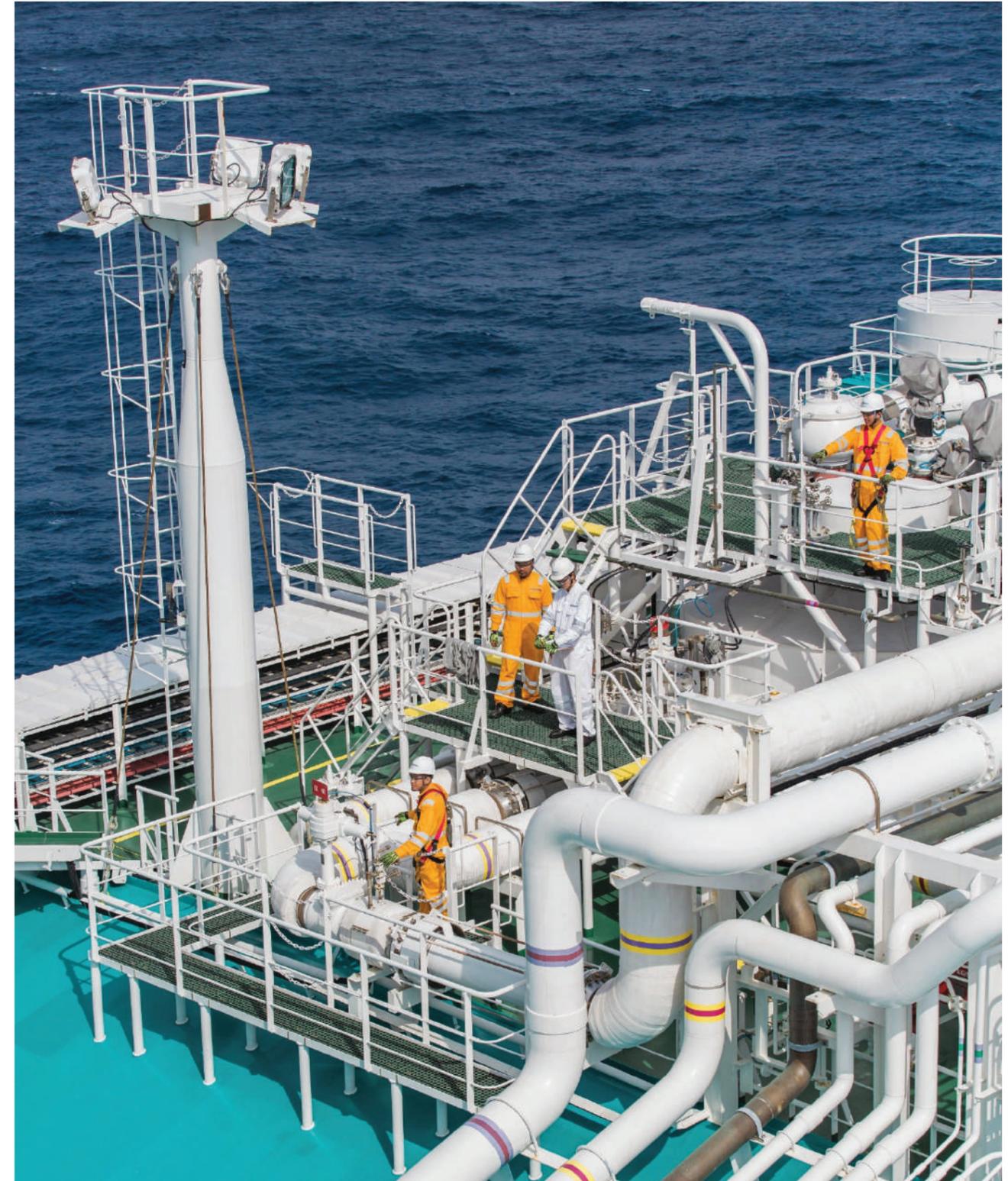
## Services Performed

- Conducts Pre-Sea Diploma, Post-Sea, Ratings and Modular Programme
- Research and consultancy services



## Competitive Advantage

- Providing a broad spectrum of maritime education and training, beyond STCW
- Research and consultancy expert, providing flexible solutions encompassing the total lifecycle of port development



# HOW WE MOVE ENERGY

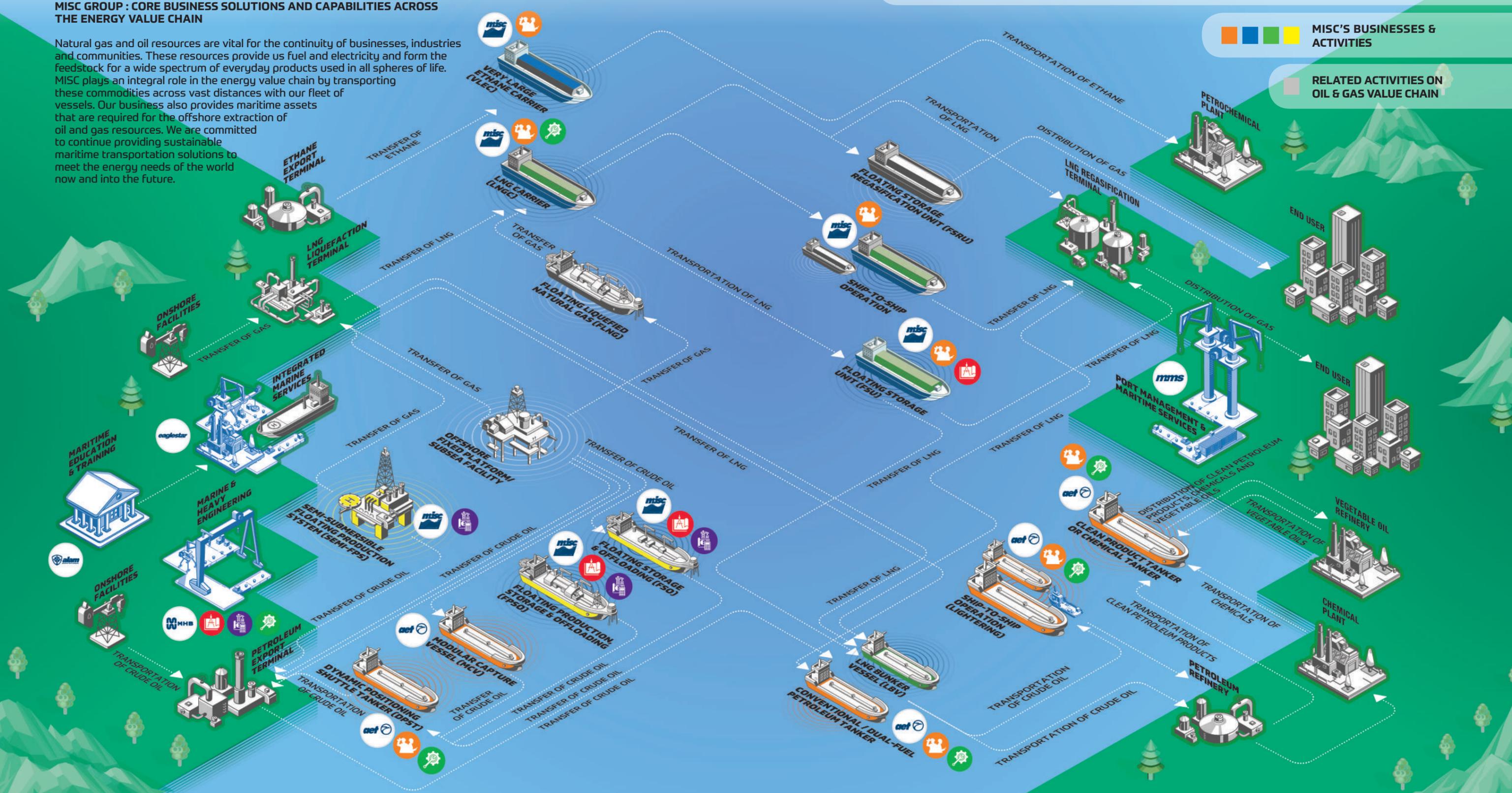
## MISC GROUP : CORE BUSINESS SOLUTIONS AND CAPABILITIES ACROSS THE ENERGY VALUE CHAIN

Natural gas and oil resources are vital for the continuity of businesses, industries and communities. These resources provide us fuel and electricity and form the feedstock for a wide spectrum of everyday products used in all spheres of life. MISC plays an integral role in the energy value chain by transporting these commodities across vast distances with our fleet of vessels. Our business also provides maritime assets that are required for the offshore extraction of oil and gas resources. We are committed to continue providing sustainable maritime transportation solutions to meet the energy needs of the world now and into the future.

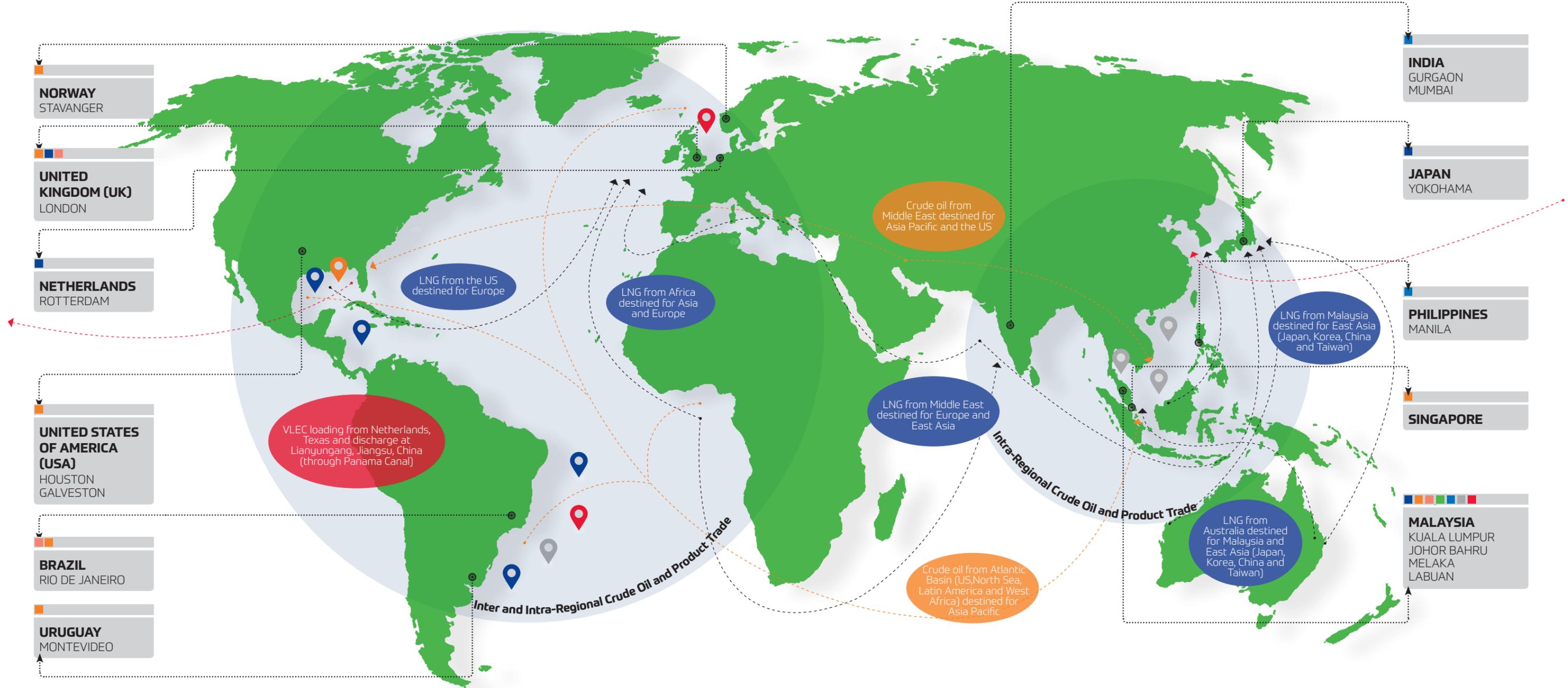
- Complete/Full Range Offshore Platform EPCIC Services for Offshore & Onshore Construction
- Comprehensive Marine Repair & Refurbishment
- Marine Conversion Works
- Shipmanagement

MISC'S BUSINESSES & ACTIVITIES

RELATED ACTIVITIES ON OIL & GAS VALUE CHAIN



# WHERE WE OPERATE



**NORWAY**  
STAVANGER

**UNITED KINGDOM (UK)**  
LONDON

**NETHERLANDS**  
ROTTERDAM

**UNITED STATES OF AMERICA (USA)**  
HOUSTON  
GALVESTON

**BRAZIL**  
RIO DE JANEIRO

**URUGUAY**  
MONTEVIDEO

**INDIA**  
GURGAON  
MUMBAI

**JAPAN**  
YOKOHAMA

**PHILIPPINES**  
MANILA

**SINGAPORE**

**MALAYSIA**  
KUALA LUMPUR  
JOHOR BAHRU  
MELAKA  
LABUAN

<span style="color: blue;">■</span> GAS ASSETS & SOLUTIONS	<span style="color: blue;">■</span> INTEGRATED MARINE SERVICES	<b>MISC GROUP'S GLOBAL BUSINESS NETWORK</b>
<span style="color: orange;">■</span> PETROLEUM & PRODUCT SHIPPING	<span style="color: grey;">■</span> PORT MANAGEMENT & MARITIME SERVICES	
<span style="color: red;">■</span> OFFSHORE BUSINESS	<span style="color: red;">■</span> MARITIME EDUCATION & TRAINING	
<span style="color: green;">■</span> MARINE & HEAVY ENGINEERING		

<b>SHIPPING ROUTES AND ASSET LOCATIONS</b>	<span style="color: blue;">—</span> KEY LNG TRADE	<span style="color: blue;">📍</span> LIGHTERING
	<span style="color: orange;">—</span> KEY VLCC TRADE	<span style="color: red;">📍</span> DYNAMIC POSITIONING SHUTTLE TANKERS
	<span style="color: red;">—</span> KEY VLEC TRADE	<span style="color: orange;">📍</span> MODULAR CAPTURE VESSELS
		<span style="color: grey;">📍</span> OFFSHORE ASSETS

THESE ARE OUR MAIN TRADE ROUTES ONLY AND NOT MEANT TO BE AN EXHAUSTIVE LIST

# KEY MESSAGES

Chairman's Message	22
President/Group CEO's Message	28

# CHAIRMAN'S MESSAGE



DATUK ABU HURAIRA  
ABU YAZID  
Chairman

**I am happy to share that MISC has been able to effectively manage both the shorter-term challenges of the pandemic to ensure its business continuity and stability, whilst at the same time focusing on the longer-term trends influencing the Group's business environment, to redefine the Group's direction as the world evolves towards a decarbonised future.**

## Dear Valued Shareholders,

On behalf of the Board, I am pleased to present to you the Integrated Annual Report and Financial Report of MISC Berhad and its subsidiaries (the Group) for the financial year ended 31 December 2022 (FY2022).

MISC has come through a year that has been shaped by the VUCA (Volatility, Uncertainty, Complexity and Ambiguity) landscape defining the rapidly changing and complex world we are living in. In this uncertain environment, the Group has been agile, adaptable, and resilient to navigate challenges and seize opportunities as it continues delivering value to shareholders. MISC's intensified efforts in strengthening our business fundamentals in 2022 have been critical to powering our resilience and expanding our capabilities for new sustainable growth.

### OPERATING ENVIRONMENT

Tensions between the USA, China and Russia continued to dominate world headlines in 2022, causing uncertainty and instability which disrupted global economic development and trade. The ongoing conflict between Russia and Ukraine impacted global supply chains, disrupted transportation routes, delayed the delivery of goods and increased volatility in energy markets. The interest rates uptrend during the year, elevated financial costs, with bearish financial markets heralding the risk of a global recession.

Concurrently, new opportunities arose as energy transition gathered pace. LNG has become an increasingly important fuel source which can reduce GHG emissions and support the transition to cleaner energy. The production, transportation and use of LNG has lower GHG emissions compared to other fossil fuels. In line with the energy transition and decarbonisation agenda, MISC is pivoting and targeting new potential income sources that come with the wave of demand for renewable energy and waste-to-value solutions.

The global decarbonisation agenda ramped up with the introduction of new maritime regulations. These include the EEXI, CII, the EU ETS and Carbon Tax. Consistent with the economic and environmental forces shaping the world, MISC made a strategic decision that new capex investments will focus on green asset classes, namely dual-fuel and low-carbon emission vessels.

### FINANCIAL PERFORMANCE

In FY2022, MISC continued to create value for shareholders as it recorded a solid financial performance. MISC's revenue increased by almost 30% to RM13,867.0 million. The Group recorded a 6% increase in profit before tax of RM1,874.3 million from RM1,774.6 million in FY2021.

The Group has maintained its strong cash balance, low credit ratio and stable credit ratings, reflecting its robust financial position. The Board declared a total dividend of 33.0 sen per share in FY2022. This is equivalent to RM1,473.0 million to our valued shareholders, thus maintaining a consistent track record of dividend pay-outs over the past four years.

### BEYOND PERFORMANCE: POWERING OUR RESILIENCE

During the year, the MISC Group secured over USD1.1 billion worth of long-term projects in terms of capital expenditure. This will go a long way in powering our resilience to thrive in an evolving marketplace and consistently drive sustainable value creation.

In November 2022, MISC together with our consortium partners, NYK, K-Line and CLNG secured long-term charter contracts by QatarEnergy for a total of 12 newbuild LNG carriers.

MISC also secured long-term time charter contracts with SRM, a wholly-owned subsidiary of ExxonMobil, for two more LNG carriers, bringing the total number of contracts with SRM to four LNG carriers.

Our Petroleum & Product Shipping segment, AET, together with PTT of Thailand also inked a Memorandum of Understanding to develop two zero-emission Aframaxes to be powered by green ammonia, which will be delivered to PTT for long-term charters in Q4 2025 and Q1 2026 respectively.

The Offshore Business Unit obtained several contract extensions namely a one-year charter contract extension for *FPSO Bunga Kertas* to April 2023 as well as staggered contract extensions for *FPSO Ruby 2*.

Our Marine & Heavy Engineering arm, MHB, secured a contract from PCSB to undertake EPCIC services for the Kasawari CCS project, off the coast of Sarawak, Malaysia. Once completed, the Kasawari CCS project will be the world's largest offshore CCS project by volume of CO<sub>2</sub> captured and Malaysia's first CCS project. MHB also secured a contract from Sarawak Shell Berhad (SSB) to undertake EPC services of the offshore platform for the Rosmari-Marjoram gas project which will be primarily powered by renewable energy from solar panels.

The contracts that we have secured across the MISC Group are a testament to our diverse capabilities and expertise, and most importantly, our reputation as a trusted partner to global energy players.

### BEYOND SUSTAINABILITY: DRIVING A SUSTAINABLE FUTURE

The MISC Group has always been committed to our role as a responsible member of the global maritime industry. The Group's approach to sustainability has gone beyond the traditional concept and approach. Our sustainability ethos focuses on integrating our current strategic initiatives with ESG principles to ensure that we execute our business with the goal of generating sustainable value well into the future, or what can be termed as "Sustainability Plus".

Last year, the Group pledged its commitment to achieve Net-Zero GHG emissions by 2050 and we are firmly focusing on implementing the initiatives that will pave the way to achieve our targets. Our long-range MISC 2050 strategy serves as the roadmap to guide the transition of our business across the Group to thrive in a net-zero and circular economy.

Besides lowering the fleet's emissions, ever-increasing global maritime logistics demands entail us focusing on efficiency through digitalisation and enhancing the safety of people, asset and cargo carried. In addition to supporting the global climate change commitments, MISC's low-carbon assets also help its customers lower their carbon emissions. As many of our customers are working towards decarbonising their operations and businesses, MISC's offering of low-carbon asset services and solutions supports in systematically reducing emissions within the entire value chain.

MISC's value creation for the wider community is guided by the MISC Sustainability Strategy 2021 – 2025. We have prioritised biodiversity conservation, education and safety in support of our mission 'to create a positive difference to the lives of communities'. We are committed to making a positive impact on ocean biodiversity through our Group's Heart of the Ocean marine biodiversity conservation programme which includes

## CHAIRMAN'S MESSAGE

reef, sea-turtles and mangrove conservation. In FY2022, MISC's investment in biodiversity conservation amounted to RM300,000.

Our flagship investment in our maritime academy ALAM and the Cadet Sponsorship Programme allows us to meet our community responsibilities and contribute to the growth of the regional maritime industry. MISC's provision of maritime education opportunities to deserving students and high-quality maritime education has ensured the development of a sustainable pipeline of qualified seafaring industry professionals. Towards the end of FY2022, we have sponsored 751 students with a total investment of approximately RM24.2 million.

### STRENGTHENING GOVERNANCE

MISC has been firm and consistent in upholding and implementing responsible corporate governance practices as well as robust risk management and internal control measures across the Group. The year saw the adoption of the MISC Directors' Fit and Proper Policy, to ensure that all Board members have the necessary qualities, competencies, and experience to perform their duties and carry out the responsibilities required of their position in the most effective manner.

Reflecting MISC's sustainability agenda and our determination to shape a sustainable future, the Board approved the renaming of the BGRC to the BSRC effective 1 January 2023. This move will further embed all facets of sustainability into our business model, ensuring that these are reflected throughout the company's strategy and operations.

Towards assessing the performance and effectiveness of members of the Board, Board Committees, and individual directors in fulfilling their roles and functions, a Board Effectiveness Evaluation (BEE) was conducted, facilitated by an independent expert. The BEE provided the Board with objective insights into the Board's focus areas as well as the breadth and depth of experience, expertise and mindsets represented on the Board. It also enabled us to gauge the depth and level of the Board's culture and partnership with Management. The BEE validated the effectiveness and efficiency of the Board's processes and reinforced the Board's effectiveness in providing value to MISC's Perform-Transform priorities.

MISC has also furthered the adoption of the MCCG. Effective 1 April 2022, the BAC is comprised solely of independent directors, in line with Step-Up Practice 9.4 of the MCCG.

### AFFIRMATION OF MISC'S ROBUST SUCCESSION PLANNING

MISC has continuously driven the development of its talent agenda to establish and maintain a sustainable talent stream across all job levels to provide seamless leadership and talent succession planning throughout the Group. Robust succession planning has empowered MISC with a pipeline of qualified candidates to fill leadership positions as they become available and armed the organisation with a solid bench strength to continue to operate effectively towards achieving business goals.

In FY2022, our succession planning enabled the smooth leadership transition of MISC's new President/Group CEO. On 30 September 2022, Datuk Yee Yang Chien retired from his role as President/Group CEO and turned the helm over to MISC's Chief Operating Officer and AET's President & CEO, Captain Rajalingam Subramaniam. Captain Rajalingam's appointment on 1 October 2022 demonstrates the strength and sustainability of MISC Group's talent development and leadership succession plans.

On behalf of the Group, I would like to extend our deepest appreciation and gratitude to Datuk Yee Yang Chien for his exemplary leadership at MISC. Datuk Yee Yang Chien has had a long and remarkable career in the maritime industry, spanning more than 20 years in various leadership roles within the Group. I would also like to welcome on board Captain Rajalingam and reiterate our full trust and confidence in his ability to steer MISC in its voyage moving forward to drive progress and create sustainable value.

Another testament of MISC's strong talent development agenda is Eaglestar's first female Master Mariner Captain Eezmaira Sazzea binti Shaharuzzaman who was Malaysia's first female recipient of the prestigious National Seafarer of The Year award on 25 June 2022. The award is given to "outstanding Malaysian seafarers who have demonstrated significant passion and commitment in their profession, as well as in recognition of their social contribution to the maritime community". Captain Eezmaira's achievement reinforces our commitment to continue progressing with our Diversity and Inclusion agenda, as the bulwark of our commitment to building human capital in the maritime sector.

### A DIVERSE AND STRONG BOARD

MISC acknowledges the importance of the diversity of Board members to incorporate new insights into the boardroom. This belief, whether the diversity in terms of skills and backgrounds, view and perspective or gender, are able to help to incorporate new insights as well as improve governance and oversight in the boardroom.

During the year, MISC recorded some changes in the Board which have added new skills and capabilities to the Board's diversity matrix. At the beginning of the year, we saw the appointment of Dato' Tengku Marina Tunku Annuar's as an Independent Non-Executive Director of MISC Berhad. As indicated earlier, Captain Rajalingam Subramaniam was elevated as the President/Group CEO and Non-Independent Executive Director of MISC Berhad effective 1 October 2022. Captain Rajalingam's appointment came upon the retirement of Datuk Yee Yang Chien as President/Group CEO and Non-Independent Executive Director of MISC Berhad effective 30 September 2022.

On 1 June 2022, Encik Mohd Yusri Bin Mohamed Yusof stepped down as Non-Independent Non-Executive Director of MISC Berhad. On behalf of the Board, I extend our immense appreciation to Encik Yusri for his valuable contribution during his tenure at the MISC Board. Encik Yusri was replaced by Cik Wan Shamilah Binti Wan Muhammad Saidi as Non-Independent Non-Executive Director on the same date. We are confident that the Board changes during the year will enhance shareholder value over the long term through the strengthening of the Board's capabilities, and that our new Board members will play a huge contributory role to MISC's continuing success.

### INTERNATIONAL VALIDATIONS AND AWARDS

MISC's international validations and awards in FY2022 has further reinforced our stellar reputation and credibility in the international maritime industry. AET's first LNG dual-fuel VLCC *Eagle Valence* obtained the Tanker of the Year Award at the Tanker Shipping and Trade Conference, Awards and Exhibition 2022 held in Athens, Greece on 10 November 2022. The award was in recognition to tankers delivered since November 2021 that are engaged in bulk liquid transport that sets new benchmarks in design, environmental, operational, safety, and technical performance.

Testament of our value creation ability, MISC was honoured at the Alpha Southeast Asia 12<sup>th</sup> Annual Institutional Investor Corporate Awards 2022 for the Strongest Commitment to Sustainable Energy Transportation and was once again ranked among the Top Five Malaysian Companies in the category of Most Organised Investor Relations. The Strongest Commitment to Sustainable Energy Transportation Award validates our efforts to see through our commitment to move energy safely and efficiently, led by our high-performing global workforce at sea and shore.

On the ESG front, both MISC and MHB were the recipients of Silver Awards in the Transport & Logistics and Energy categories respectively at The Edge Malaysia ESG Awards 2022 on 28 November 2022. These awards are testimony to the Group's deep and unwavering passion towards cultivating ESG principles through our firm and consistent approach to drive long-term value for stakeholders while creating a positive impact that contributes towards a sustainable future.



**MISC has continuously driven the development of its talent agenda to establish and maintain a sustainable talent stream across all job levels to provide seamless leadership and talent succession planning throughout the Group. Robust succession planning has empowered MISC with a pipeline of qualified candidates to fill leadership positions as they become available and armed the organisation with a solid bench strength to continue to operate effectively towards achieving business goals.**

## CHAIRMAN'S MESSAGE

Our firm commitment to upholding a strong Generative HSSE Culture was recognised at the MSOSH Awards 2022 when the Group achieved six awards at the 40<sup>th</sup> MSOSH Awards 2022.

Following on from our 2021 inaugural inclusion on the Dow Jones Sustainability Emerging Markets Index, we are proud to once again be listed as a constituent for the second consecutive year. As well as that, MISC continues to be listed on the Bursa Malaysia FTSE4Good Index for nine years running.

The recognition of our efforts and capabilities afforded by these prestigious external stakeholders are the testament to MISC's commitment to excellence in our ESG performance and industry leadership, and we remain unwavering on our path to generate sustainable growth in the longer term.

### MOVING FORWARD

We are cognisant that the VUCA environment will continue into the near-term future. These will present the Group with both challenges and opportunities, and we are mindful of mitigating our risks with regards to the former, while making the most of the latter. Our growth strategy for 2023 will see MISC focus on excellent project delivery for projects under construction while conducting selective investment within the current portfolio to sustain our ability to generate predictable, secured, and recurring cash flows.

To augment the Group's long-term business sustainability, we will be conducting regular evaluations of our financial capacity, resources, and capabilities. These will be balanced against our risk appetite and complemented by the identification of an appropriate growth strategy to sustain our forward moving journey. Financial prudence will underpin all our efforts, and we will continue the discipline of spending within our means for growth.

In line with our MISC 2050 strategy, we will gradually reshape our business portfolio to address value gaps and prepare the Group for the energy transition towards a Net-Zero pathway. This will require the reassessment of the current business portfolio to identify opportunities that will unlock value and optimise our business portfolio.

### IN APPRECIATION

On behalf of the Group, I would like to take this opportunity to thank our shareholders, customers, business partners and financiers for their unwavering faith in our ability to generate sustainable growth. We affirm our commitment to continue working collaboratively with local and international authorities and governments and are deeply appreciative of their continued support as MISC works towards reshaping our business and making positive impacts on the shipping industry.

We also wish to record our deepest gratitude to our shore and sea workforce for embodying MISC's high performance culture in their jobs every single day. To my fellow Board colleagues, I thank them for their commitment and focus in sharing their insights and skills to steer MISC forward in its growth journey.

2022 has been MISC's year of Powering Resilience as we augmented our fundamentals to future proof the Group. We trust that all our stakeholders will continue to lend us their steadfast support in our growth journey and in delivering long term-value creation across the global maritime value chain as we continue to build a Sustainable Future together.

Thank you.

**The recognition of our efforts and capabilities afforded by these prestigious external stakeholders are the testament to MISC's commitment to excellence in our ESG performance and industry leadership, and we remain unwavering on our path to generate sustainable growth in the longer term.**



# PRESIDENT/ GROUP CEO'S MESSAGE



**CAPTAIN  
RAJALINGAM SUBRAMANIAM**  
President/  
Group Chief Executive Officer

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

**Dear Valued Shareholders,**

## INTRODUCTION

2022 was a year of transition. Personally, I transitioned from COO to take over as Group CEO in October. Although I am an MISC veteran, transitioning from sea to shore and through various management and leadership roles in the group, this new accountability was a humbling experience. I have been reminded in my first few months as PGCEO of how blessed we are as an organisation to have such a committed team. The energy and passion throughout our businesses is impressive. This is of course in no small part due to our former President and Group CEO, Datuk Yee Yang Chien. Datuk Yee Yang Chien spent 20 years in various leadership roles within MISC and played an important role in its development. I wish to thank him for sharing his insights and perspectives on MISC with me, as we worked together for a seamless leadership transition. As a Group, we thank him for all he has done for the organisation and wish him the very best with his future voyage.

## A YEAR IN REVIEW

2022 was a year of mixed fortunes for MISC. As lockdowns and border restrictions eased around the world, many of MISC's businesses were able to resume operations at pre-pandemic levels, although China's zero-COVID strategy continued to affect some of our projects there. Some business segments leveraged firming markets while, conversely, macroeconomic factors and geopolitical tensions exacerbated supply chain disruptions and caused challenges for others.

We witnessed the fundamental reassessment of economic relations and dependencies as the world became more polarised. Rising commodity prices contributed to inflationary pressures and in response, central banks worldwide raised interest rates rapidly, escalating recessionary risks. We also saw volatility in energy markets. Energy security became of prime concern to policymakers and decarbonisation took a temporary back seat as nations sought to replace lost supplies.

Through these multi-dimensional challenges MISC took early proactive steps to continually keep our people safe, and to comply with all emerging laws, rules and regulations. Further, MISC recorded positive progress in our strategic execution, taking the opportunity to strengthen our foundations. This was made possible because of the premium reputation and relationships we have built with our valued stakeholders, including blue-chip clients. In an uncertain and volatile environment, the strength of the MISC brand and our diversified portfolio added security to our business, while the steadfast implementation of our strategy continued to deliver sustainable financial returns. Our concerted efforts were critical in powering our resilience, as we expanded our capabilities to venture into new areas in line with our ambition to drive sustainable growth and long-term value creation.

2022 also reinforced the need to accelerate the transition to a low-carbon future, both on environmental and energy security grounds.

## DELIVERING FINANCIAL SUSTAINABILITY

MISC delivered robust financial returns to record improved year-on-year performance. Group revenue rose 29.9% to RM13,867.0 million in 2022 compared to RM10,671.7 million in 2021, while profit before tax (PBT) increased by 5.6% to RM1,874.3 million in 2022, as compared to PBT of RM1,774.6 million in 2021.

Cash flow from operations (CFO) remains our preferred yardstick as it represents the real-world cash generation of our assets, undistorted by artificial accounting measures. The Group recorded CFO of RM3,042.1 million in 2022, which included cash payments of RM2,679.9 million for the conversion of an FPSO. Excluding the latter payment, MISC would have had CFO in 2022 of RM5,722.0 million, a 41.8% increase from 2021.

MISC's strong cash flows and consequent resilience is testament to the fundamental strength of our strategy - to create secured and recurring incomes by leasing assets on long term charters to select premium clients. Year on year, our strategy has delivered sustainable incomes that underpin MISC's continued success and predictable future cash flows, enabling MISC to deliver consistent dividends.

Our balance sheet remains healthy with a relatively low gearing compared to industry peers. Adopting a prudent hedging strategy has insulated MISC from the impacts of rapid interest rate rises. In 2022 MISC successfully returned to the bond markets after 18 years, issuing USD1.0 billion Global Medium-Term Notes at competitive rates, and prior to 2022's significant interest rate increases.

MISC remains one of the highest rated shipping companies in the world, and we have maintained our credit ratings with Moody's and S&P.

## OUR STRATEGIC REPORT CARD FOR 2022

We refuse to let short term events, no matter how unpredictable, blow us off course from our strategic path of long-term value creation through sustainable growth. To balance mitigating short-term challenges with focusing on long-term strategic objectives, MISC employs a dual-growth strategy.

We drive short- to medium-term growth through our five-year rolling business plans. These focus on serving traditional markets as responsibly as possible to generate secured recurring cash flows via long term contracts with premium clients. These underpin MISC's financial sustainability, deliver returns to our shareholders, and ensure we have the capital headroom required to fund the transition of our business and long-term strategy.

Our long-term strategy is defined by MISC 2050. This is our pathway to building a new portfolio of businesses that will enable the Group to thrive in the net-zero and circular economy. We do this by investing in our brand, our people and our planet.

The performance of our various businesses is detailed more fully in the Chairman's message and business segments of this report, but in summary, in 2022 MISC delivered on the following fronts as we executed our strategy.

### 1. HSSE

HSSE shall always remain our highest priority. In 2022 MISC's HSSE performance was generally maintained, but we are conscious of the need to inculcate a Generative HSSE Culture as a way of life in our organisation. We will work tirelessly to achieve this.

### 2. Project Execution

We focussed relentlessly on execution, particularly our Brazilian FPSO project, which had previously experienced challenges caused by COVID-19 and global supply chain issues. This focus is bearing fruit, and the recovery plan remains on track with delivery scheduled for 2024.

# PRESIDENT/GROUP CEO'S MESSAGE

## 3. Deepening strategic relationships with customers

We created further value for stakeholders across our businesses by deepening our long-term relationships with customers, through collaboration where appropriate. In 2022, our GAS business won long-term contracts for 12 LNG carriers from QatarEnergy (as a consortium member), and 2 LNG carriers from SeaRiver Maritime LLC. Our Petroleum business took delivery of 8 eco-friendly new tankers, which are all entered into long-term time charters. In the oil and gas sector, our Marine & Heavy Engineering business was awarded the FEED and EPCIC contracts for the Kasawari CCS project from PETRONAS Carigali Sdn Bhd and the EPC services contract for the offshore platform for the Rosmari-Marjoram gas project from Sarawak Shell Berhad. Our Offshore Business Unit won contract extensions on 2 FPSOs, the *Bunga Kertas* and *Ruby 2*.

## 4. Decarbonisation

In 2022, we formalised our commitment to net-zero GHG emissions by 2050 within our own operations as well as across our value chain. This dovetails our commitment to a 50% reduction in carbon intensity in shipping by 2030.

Our decarbonisation pathway utilises LNG as a transitional fuel today while we work proactively on the development of tomorrow's next generation zero-emission vessels (ZEVs). In 2022, we expanded our collaborations to strengthen our future focused asset portfolio.

In 2022, we took delivery of 2 LNG dual-fuel VLCCs, among the first in the world. This, together with the other 6 modern and eco-friendly tankers, form a significant step forward in our fleet rejuvenation plan.

In the meantime, our work to make ammonia powered ZEVs a reality continues in partnership with like-minded industry leaders throughout the maritime value chain. In 2022, we were delighted to welcome TotalEnergies into the Castor Initiative, a global coalition founded by MISC and others, focused on developing ammonia powered ZEVs. Separately, we entered 2 MOUs for the development and construction of ammonia ZEVs with PTT, and Samsung Heavy Industries/Lloyd's Register. Delivery of the vessels are expected by early 2026.

As outlined above, our Marine & Heavy Engineering business continues to support the oil and gas sector's decarbonisation efforts through its involvement in the Kasawari CCS and Rosmari-Marjoram projects. The Kasawari CCS project is both Malaysia's first CCS project and the world's largest offshore CCS project by volume of CO<sub>2</sub> captured, while the unmanned Rosmari-Marjoram platform will be primarily powered by renewable energy.

## 5. Sustainability and MISC 2050

We are cognisant that we must continuously adapt our business and drive industry change. We are two years into our 2021-2025 Sustainability Strategy which is seeing us operationalise and institutionalise our ESG commitments Group-wide. We are taking several pro-active steps to embed ESG imperatives purposefully within our business and more details can be found within our Sustainability Report 2022.

Our long-term strategy is focused on developing a new portfolio of businesses within the renewable energy and waste-to-value markets. Sustainability is the confluence of the environmental agenda and commercial viability, and recognising this is the key driver of our progress.

To this end, in 2022 we created a dedicated task force to scope the possibilities in CCUS. Work on this will continue in 2023 with the incubation of a new green energy unit under my office.

## 6. Digital transformation

In 2022 we continued our digital transformation strategy. We focussed on investments in start-ups that are developing technologies which will support the transition of the maritime sector to net-zero, and on transforming our internal DNA to become a more data-driven organisation. This is being delivered through the transformation of our finance, procurement and document control systems. We are on track with our internal transformation plan which when complete will enable our people to use advanced analytics tools and access data to gain insights into our operations and thus make more data-driven decisions to drive our business growth.

## PUTTING OUR PEOPLE FIRST

Our people are the foundation of everything we do. We remain focussed on improving our employee value proposition, while maintaining equitability among our diverse talent population across our global portfolio.

In 2022, as the world opened up we continued to support our staff's wellbeing and provide necessary assistance where required. We continue to further empower and engage with our staff, while investing in future-proofing our people through upskilling programmes that promote continuous professional and leadership development.

MISC is passionate in embracing diversity and inclusion within our workforce, as the source of an organisational culture that drives innovation. The MISC Diversity and Inclusion (D&I) Policy was implemented in 2022 through the establishment of a D&I Journey Map and Aspirational Targets and supplemented with activities to raise awareness.

## LOOKING AHEAD INTO 2023

2023 is filled with opportunities for MISC. The strength of our organisation, our brand and, most importantly, our people, means we are well placed to capture these. The year ahead will see us shifting gears both in terms of the execution of current projects and advancement towards achieving our 2050 objectives.

External uncertainties will persist, as always. Ongoing geopolitical tensions will continue to disrupt global stability, economic development and trade patterns. Simultaneously, the energy transition will gather pace, driven by growing demand for cleaner energy and energy security. This will present new opportunities to us as we pivot. At the same time, we expect sustained increases in demand for LNG shipments particularly into Europe.

New maritime regulations arising from the global decarbonisation agenda also present opportunities. The dynamic regulatory landscape will drive the future focus of new capex investment on greener assets, namely dual-fuel vessels and low carbon emission assets.

Demand for the right talent will continue to be intense. This is exacerbated by higher inflation and consequent wage demands. Reskilling our talent for the future is a challenge, but an essential one which also presents tremendous opportunity.

## OUR STRATEGIC PLAN FOR 2023

We will maintain our focus on project execution, while remaining open to opportunistic investment where it meets our strategic aims and creates long-term shareholder value.

The current market landscape is supportive of our growth trajectory, but to ensure our long-term future success we must re-assess our businesses portfolio and strategy. A strategic business review is underway, and in 2023 we shall

deliver further value to stakeholders by transforming our business model and reinforcing our pathway to achieving net-zero by 2050, all underpinned by the UNSDGs we have adopted. We will continue to align and collaborate with key industry leaders to drive this agenda.

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

## A NOTE OF THANKS

On behalf of MISC, I would like to extend our sincere appreciation to our valued shareholders, customers and partners for their trust, faith and support to MISC. Our gratitude also goes to the MISC Board of Directors for their steadfast commitment in upholding the highest standards of governance and for their insightful and valuable guidance.

We at MISC are cognisant that we must adapt to a world changing at an ever-increasing speed. It is imperative that we accelerate our own transformation as the world around us changes rapidly. There is a great deal more to do. For MISC, "Moving Energy" means much more than merely the transportation of cargo. It is the progress of our people and mindsets, anchored in our values, and driven by our ambition and passion to create a better future – in short, it is who we aspire to be. With 2022 as MISC's year of Powering Resilience, we move forward with growing confidence that the Group is on track to achieve our shared aspiration of building a Sustainable Future.

***I look forward to working together with our stakeholders to improve our value proposition as an organisation. Thank you for your trust and support as always.***

# HIGHLIGHTS

Key Highlights 2022	34
A Look Back at 2022	36

# KEY HIGHLIGHTS 2022

## FINANCIAL



REVENUE  
**RM13.87 billion**



OPERATING PROFIT  
**RM3.10 billion**



CASH FLOWS FROM  
OPERATING ACTIVITIES  
**RM3.04 billion**



EQUITY ATTRIBUTABLE  
TO EQUITY HOLDERS OF  
THE CORPORATION  
**RM37.46 billion**



EARNINGS PER SHARE  
**40.80 sen**



TOTAL ASSETS  
**RM62.66 billion**



DIVIDENDS PER SHARE  
**33 sen**

## ESG EXCELLENCE

### CONSTITUENT OF



Dow Jones Sustainability  
Emerging Markets Index for  
**two** consecutive years



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

### SIGNATORY OF



MOU with PTT for the development  
and construction of two zero-  
emission Aframaxes to be powered  
by green ammonia

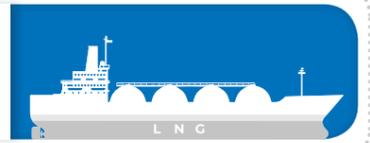


MOU with Lloyd's and SHI for the  
development and construction of  
two zero-emission VLCCs

## OPERATIONAL EXCELLENCE

**>99%**

VESSEL  
AVAILABILITY



**>99%**

VESSEL  
UTILISATION



**>95%**

FLOATING  
ASSET UPTIME



**1**



MAJOR  
SPILL INCIDENTS

**0**



FATALITIES

**0**



MAJOR SECURITY  
INCIDENTS

**0**



MAJOR  
CYBERSECURITY  
INCIDENT



**14%**  
FEMALE EMPLOYEES



**86%**  
MALE EMPLOYEES

**62** FEMALE SEAFARERS IN MISC

**17%**  
REDUCTION IN AVERAGE GHG INTENSITY  
BY OUR FLEET (GAS AND PETROLEUM)  
COMPARED TO 2008



## AWARDS AND RECOGNITIONS

THE EDGE  
BILLION RINGGIT  
CLUB



The Highest Returns  
to Shareholders  
Over Three Years  
(Transportation &  
Logistics) Award

CHAMBER OF  
SHIPPING OF  
AMERICA (CSA)



AET awarded with :  
• Environmental  
Achievement Award  
for 43 vessels  
• Jones F. Devlin Award  
for Safety for 48  
vessels

THE EDGE  
ESG AWARDS 2022



MISC and MHB  
received the Silver  
Award under the  
Transport & Logistics  
and Energy Sectors  
respectively

40<sup>TH</sup> MALAYSIAN  
SOCIETY FOR  
OCCUPATIONAL  
SAFETY AND  
HEALTH (MSOSH)  
AWARDS 2022



MISC Group continues  
its award-winning run  
for the fourth year at  
MSOSH Awards 2022  
• One Grand Award  
• Three Gold Class 1  
Award  
• One Gold Class 2  
Award  
• One Gold Merit  
Award

ALPHA SOUTHEAST  
ASIA'S 12<sup>TH</sup>  
INSTITUTIONAL  
INVESTOR  
CORPORATE  
AWARDS 2022



MISC was honoured  
as the proud recipient  
of the Strongest  
Commitment to Energy  
Transportation Award  
for Malaysia and was  
also ranked among  
the Top 5 Malaysian  
companies in the Most  
Organised Investor  
Relations Award  
category for the third  
time

MARITIME AND  
PORT AUTHORITY  
OF SINGAPORE'S  
(MPA) GREEN SHIP  
PROGRAMME



*Eagle Valence* certified  
as a Green Ship as part  
of the MPA Green Ship  
Programme

NATIONAL  
SEAFARER  
OF THE YEAR  
AWARD



*Eaglestar's* first female  
Master Mariner,  
Captain Eezmaira  
Sazzea  
Shaharuzzaman,  
makes history as the  
nation's first female  
recipient of the Award

TANKER SHIPPING  
& TRADE  
AWARDS 2022



*Eagle Valence* wins  
Tanker of the Year

# A LOOK BACK AT 2022



**Milestone** AET took delivery of *Eagle Campos*, the first in a series of three DP2 shuttle tankers, with Eaglestar as the appointed ship manager. *Eagle Campos* is on charter to Shell

05



**Achievement** MISC's USD1.5 billion term loan was recognised as the Best Syndicated Loan at the Asset Asian Awards 2022

15



**Milestone** Founding members of the Castor Initiative - MISC via AET together with Lloyd's Register and Samsung Heavy Industries signed an MOU for the development and construction of two zero-emission VLCCs

04



**Event** MISC virtually held its 53<sup>rd</sup> Annual General Meeting

27



**Achievement** 48 AET vessels managed by AET Offshore and Eaglestar, were recognised for their excellent health and safety record with the CSA Jones F. Devlin Award for Safety

15



**Event** MISC Group's employees volunteered for the Heart of the Ocean Programme's inaugural Employee Participation Programme at Pulau Sibul, Johor

05

## JANUARY



**Milestone** A contract extension was secured for *FPSO Kikeh* by the Malaysian Deepwater Floating Terminal (Kikeh) Limited (MDFT), a joint venture company between MISC and SBM Holdings Inc. S.A. (SBM). The contract extension runs for six years, until January 2028

24

## FEBRUARY



**Achievement** AET unveiled *Eagle Valence*, amongst the world's first dual-fuel VLCCs on long-term charter to TotalEnergies

24

## MARCH



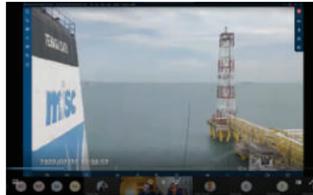
**Milestone** AET reinforced its leading shuttle tanker position with another vessel delivered for Petrobras charter, *Eagle Colatina*

25

## APRIL

**Milestone** MHB, through MMHE signed a strategic partnership with Silverstream Technologies to support maritime decarbonisation efforts

20



**Milestone** MISC and Eaglestar successfully collaborated with Lloyd's Register Classification Society (LR) in pioneering a Situational Assessment on *FSU Tenaga Satu* via remote survey and digital application

21

## JULY



**Milestone** Delivery of *Eagle Vallery*, AET's second dual-fuel VLCC for TotalEnergies, with Eaglestar as the appointed ship manager

29



**Milestone** AET unveiled *Eagle Crato*, the final tanker in a series of three DPSTs, which are on long-term charter to Petrobras. Eaglestar is the appointed ship manager of all three sister vessels - *Eagle Colatina*, *Eagle Cambe* and *Eagle Crato*.

28

## AUGUST



**Strategic Alliance** MISC and consortium partners inked landmark deal with QatarEnergy for seven newbuilding LNG carriers

10

**Milestone** MHB, through MMHE announced its strategic partnership with Bureau Veritas Solutions M&O to support maritime decarbonisation efforts

23

# A LOOK BACK AT 2022



MISC sets the record as the inaugural award recipient for the Strongest Commitment to Sustainable Energy Transportation, as awarded by Alpha Southeast Asia **01**



AET and PTT inked an MOU for the development and construction of two zero-emission Aframax **28**

MHB announced MMHE's EPC contract win from Sarawak Shell Berhad for the Solar Powered Offshore Platform, for the Rosmari-Marjoram gas project **11**



AET awarded the CSA Environmental Achievement Award for 43 vessels in its fleet, for having maintained a clear record in terms of environmental excellence **02**

MISC and consortium partners - NYK, K-Line and CLNG secured five more newbuilding LNG carriers with QatarEnergy **03**



Eagle Valence won Tanker of the Year at the Tanker Shipping & Trade Awards 2022 **09**



Eagle Valence certified as a Green Ship, as part of the Maritime and Port Authority of Singapore's Green Ship Programme **28**



MHB launched its River Rehabilitation Programme with the adoption of Sungai Buluh, a river in Pasir Gudang, Johor. The River Rehabilitation Programme is in collaboration with Majlis Bandaraya Pasir Gudang (local council of Pasir Gudang) and Universiti Teknologi Malaysia **10**

## SEPTEMBER

## OCTOBER

## NOVEMBER

## DECEMBER



MMS organised the Sungai Udang Port Hawksbill Sea Turtle Conservation CSR Programme in collaboration with the Turtle Conservation and Information Centre Melaka **12**



MISC secured long-term time charter contracts with SeaRiver Maritime for two more LNG carriers, bringing the total carriers to four **30**



MISC won The Highest Returns to Shareholders Over Three Years (Transportation & Logistics) Award, as awarded by The Edge **31**



MISC launched the HSSE Partners' Summit 2022 to drive Generative HSSE Culture, while celebrating the achievements of our partners in implementing the best HSSE practices **08**



MHB, through MMHE secured EPCIC alliance contract for the world's largest offshore CCS project by volume of CO<sub>2</sub> captured, also the first CCS project in Malaysia **29**



MHB, through MMHE was certified with The American Society of Mechanical Engineers (ASME) for manufacturing U, U2 and R stamp coded Pressure Vessels **06**



MISC Group continued its award-winning run for the fourth year at MSOSH Awards 2022, winning six awards **23**



Datuk Yee Yang Chien (the then President/Group CEO) passes the baton of leadership to the new President/Group CEO, Captain Rajalingam Subramaniam, effective 1 October 2022 **30**

# STRATEGIC REVIEW

Strategic Overview	42
How We Create Value	46
Our Strategic Focus	52
Our Material Matters	57
Our Stakeholders	61
Our Operating Environment	63
Our Risks and Mitigation Strategies	71
Delivering Our Strategy	76

# STRATEGIC OVERVIEW



**ZAHID OSMAN**  
Vice President,  
Corporate Planning

**Energy transition will gear up as demand for cleaner energy gathers pace. For MISC, the growing demand for cleaner energy brings new opportunities as we pivot to target new income sources. At the same time, MISC will capitalise on the surge in demand for LNG as one of the primary green fuels supporting energy transition.**

## VICE PRESIDENT'S MESSAGE

2022 has seen MISC remaining resilient despite the strong headwinds we encountered during the year. Although the shift from the pandemic to the endemic phase of COVID-19 led to the easing of lockdowns and travel restrictions, the Group faced various other challenges that arose from macroeconomic and geopolitical factors.

The Russia-Ukraine war led to rising commodities prices and increased energy market volatilities. The war caused an energy trilemma in addressing key issues of energy security, energy equity and achieving environmental sustainability. Europe had to find new and more secure ways to obtain energy including building up its LNG import infrastructure as it sought to find alternatives to pipeline deliveries from Russia which had dramatically reduced. The Russia-Ukraine war together with China's zero-COVID policy also resulted in supply chain disruptions which had already been under pressure during the COVID-19 pandemic.

Notwithstanding this difficult market environment, MISC was able to rise above these challenges with our strong HSSE culture and robust risk management approach. Our project deliveries took consideration of all the factors required to ensure efficient project management and execution. To address supply chain disruptions, we expanded our supplier base to ensure continuous availability of equipment required for our operations and projects.

During the year, MISC progressed with our strategic goals and secured major project wins as we continued to deliver on projects under execution. The Group added eight new assets to the portfolio to strengthen our core cash generators when AET took delivery of six DPSTs for long-term charter with Petrobras; and two dual-fuel VLCCs for long-term charter with TotalEnergies. These new fleet are setting benchmarks for the maritime industry as these are amongst the most eco-efficient vessels in the market. It demonstrates MISC's commitment towards meeting the IMO's 2030 GHG goals.

We further strengthened our long-term recurring revenue stream by securing a total of 14 LNGC charter contracts with SRM and QatarEnergy, while also obtaining contract extensions for *FPSO Kikeh* and *FPSO Bunga Kertas*.

The Group also successfully issued USD1.0 billion in GTMN, a rare issuance for the marine transport sector despite a tight issuance window due to ongoing geopolitical conflicts. Establishing a GMTN programme enables us to access the market swiftly in the future, when the need arises to capture favourable funding levels.

2022 has seen MISC obtaining market recognition for our ESG excellence when we were accorded the Strongest Commitment to Sustainable Energy Transportation at the Alpha Southeast Asia 12<sup>th</sup> Annual Institutional Investor Corporate Awards 2022. At the same event, we were also recognised to be among the Top Five Malaysian Companies in the category of Most Organised Investor Relations. This is possible as a result of our focus in transparently and accountably sharing MISC's value creation efforts with the investment community.

We meet significant progress on our ESG and sustainability journey demonstrated by MOUs signed by AET during the year. Setting a clear signal to reduce GHG intensity from shipping. One with PTT for the development and construction of two zero-emission Aframax vessels that will be fueled by green ammonia. The second MOU with South Korean shipbuilding SHI and Lloyd's Register to build two VLCCs operating on green ammonia. The year also saw global energy major TotalEnergies becoming the eighth member of The Castor Initiative working towards making zero-emission ammonia-fueled vessels a reality.

Continuing to work towards our MISC 2050 goal, we rolled out the MISC 2050 Ideation Manual to our workforce as a guideline to operationalise the MISC 2050 Framework. The manual aims to help employees on generating and managing new ideas and define roles and responsibilities for each stage of the idea maturation process.

Stepping into 2023, we expect the business landscape to continue being dominated by challenges driven by various global trends. Uncertainties will prevail due to trade wars between major economies, supply chain disruptions and energy security concerns. Ongoing tensions between the USA, China and Russia will continue to disrupt global stability, economic development and trade. A prolonged Russia-Ukraine war will further disrupt supply chains, fuel inflation and potentially cause a global recession. It will also heighten energy security concerns and drive demand for fossil fuels in the short to medium term.

Energy transition will gear up as demand for cleaner energy gathers pace. For MISC, the growing demand for cleaner energy brings new opportunities as we pivot to target new income sources. At the same time, MISC will capitalise on the surge in demand for LNG as one of the primary green fuels supporting energy transition.

The global decarbonisation agenda will remain at the forefront of international concerns. In the shipping sector, this is being driven by new maritime regulations such as the EEXI, CII, the ETS and Carbon Tax. It is highly likely that the ETS or Carbon Tax will be expanded to new countries to meet decarbonisation demands. Responding to these shifts, MISC's primary focus for new capex investment will be on greener assets, namely dual-fuel vessels and low carbon emission assets.

Taking these factors into consideration, the Group's strategic priorities for 2023 are three-fold. Firstly, we will retain focus on project delivery and selective investment within the current portfolio to sustain our ability to generate predictable, secured, and recurring cash flows. We will achieve this by emphasising on long term contracts, diversifying into new asset classes, and maintaining excellence in project execution and delivery and asset operations.

Secondly, our investment focus would be to ensure sustainable growth based on affordability and MISC 2050 target. Maintaining financial discipline and incorporating sustainability goals in our investment decisions will form the mainstay of our strategy to decarbonise our operations. In parallel, we intent to identify and invest in new opportunities in the cleaner and green asset solutions areas in order to build a clean energy business.

Finally, a gradual reshaping of our business portfolio will take place to capture new values and propel the organisation in energy transition environment.

I would like to reiterate MISC's commitment to deliver on our promises to our shareholders and other stakeholders regardless of what challenges may come our way. We, in MISC, look forward to further driving our growth momentum in the year ahead.

# STRATEGIC OVERVIEW

## OUR STRATEGY

2022 has remained a challenging year, as geopolitical tensions arising from difficult relationships between USA, China and Russia caused global uncertainty and hampered global economic development and trade. The Russia-Ukraine war exacerbated supply chain disruptions that had continued throughout the two-year COVID-19 pandemic and increased energy market volatility. In this uncertain market landscape, MISC continued to generate value-driven outcomes by focusing on project delivery and execution, while strengthening

our ESG proposition. The Group focused on building its internal strengths and capabilities towards ensuring a smooth transition to become a thriving business in a net-zero world.

We are cognisant of the risks and opportunities that make up our operating environment for the short-, medium- and long-term future, and have used our insights to identify the best way forward for the Group. Our strategic value creation is driven by the sustainability considerations that have been

embedded into our five-year rolling business plan. Through our five-year rolling business plan, we are growing our secured income, strengthening our business fundamentals and diversifying the business portfolio by taking into consideration our risk appetite and affordability. Our five-year Sustainability Strategy ensures that we deliver on the ESG commitments we have made to our shareholders and other stakeholders. Our corporate and sustainability strategies complement each other in creating sustainable value now and into the future and provides the strong foundations for our business to continue generating valuable outcomes.

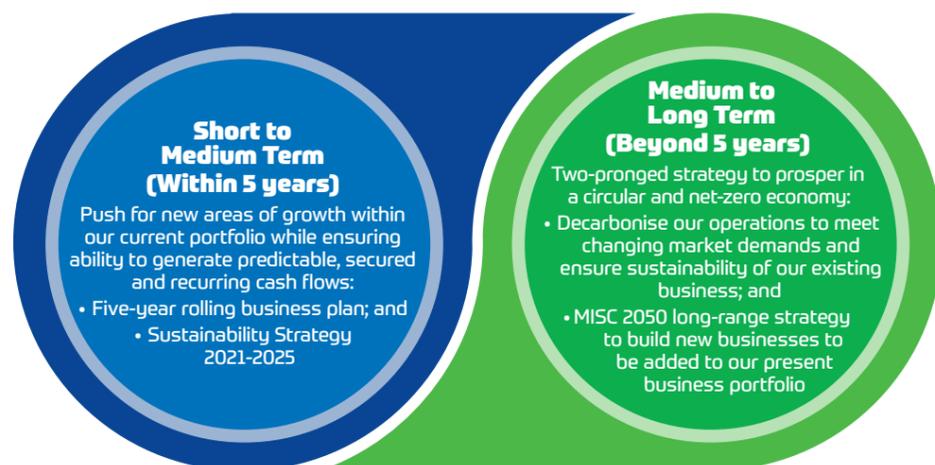
accelerating the global decarbonisation agenda. At the same time, we are developing our organisational resilience and adaptability to ensure our future sustainability by identifying how MISC can remain a thriving business in a decarbonised and net-zero future. While LNG is a low-emission fuel that being used in the transition to a net-zero future and will remain on our horizon in the short to medium term, we also foresee the need to develop zero-emission vessels to remain a relevant business in the future net-zero world. Therefore, we are plotting our roadmap to capture opportunities arising from energy transition and the circular economy to become a key player in the Green Economy.

In parallel with our five-year rolling business plan and sustainability strategy, we have developed our longer range MISC 2050 strategy to future proof our business. Our long-term strategic plan addresses current threats we face in the form of a fast-changing regulatory landscape that is

Our Analysis of Our Operating Environment



MISC Group's Corporate and Sustainability Strategies



## OUR BUSINESS CASE FOR MISC 2050

MISC ships and operations consume fossil fuels that contribute to global GHG emissions. We are also subject to increasing regulatory and stakeholder pressure.

- MISC's commitments:
- Achieve net-zero GHG emissions by 2050
  - Reduce shipping carbon intensity by 2030

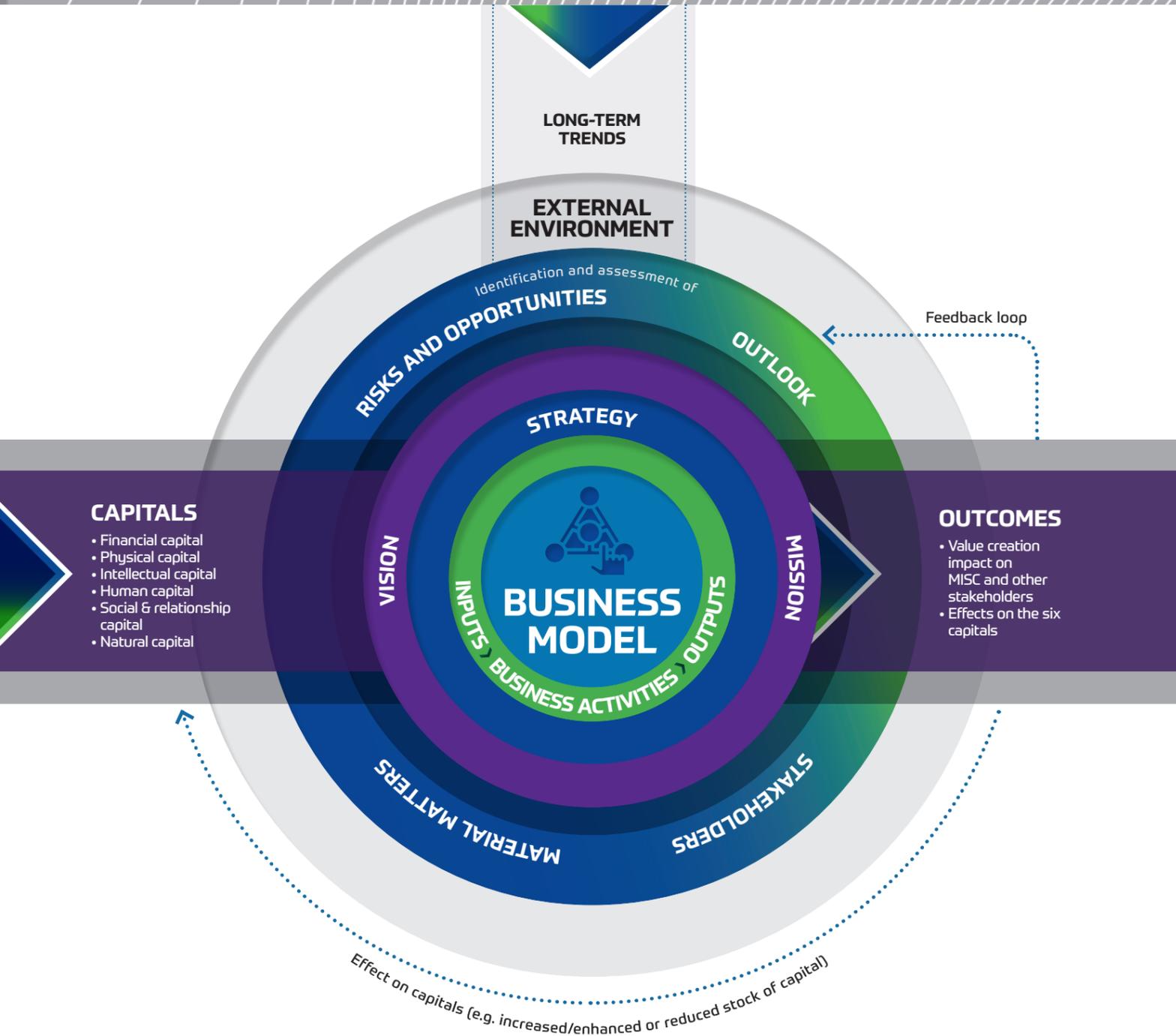
The transport of fossil fuels will decline in the long term as the world moves towards a circular and net-zero economy, thus impacting our business.

- The MISC 2050 roadmap:
- Reimagines MISC's socio-economic role come 2050
  - Identifies new green growth opportunities to diversify our business and asset portfolios that will be added to our current portfolio mix

More details can be found in the Our Strategic Focus section.

## CLIMATE CONSIDERATIONS

Having adopted the recommendations of the TCFD in the previous year, in 2022 MISC continued to progress with our TCFD journey. We expanded our climate risk and opportunity analysis to our key enabler business segments of Maritime Education & Training, Port Management & Maritime Services, and Integrated Marine Services, following from the analysis conducted on our core businesses of Gas Assets & Solutions, Petroleum & Product Shipping, Offshore Business and Marine & Heavy Engineering the previous year. Climate-related risk integration measures are now part of our risk management process and the climate scenario analysis process is included in the Group's annual strategic planning exercise.



## OUR VALUE CREATION MODEL

By using the inputs of our six capitals i.e. financial, physical, intellectual, human, social and relationship, and natural, MISC creates value for our shareholders, investors, customers and other stakeholders. We have crafted a business strategy that guides us on how we allocate capital resources throughout all our businesses towards achieving our strategic goals which result in both outputs as well as outcomes for our business and stakeholders.

MISC's value creation ability is impacted by a multitude of factors including a complex global and local operating environment and a myriad of risks and opportunities shaped by current and future challenges and trends. To ensure that we remain a value-driven business set on a positive growth trajectory, we take into account the needs of our stakeholders, our material matters and the industry outlook.

MISC's business strategy and activities are implemented via a robust governance structure, framework and processes. The Board is responsible for overseeing the overall direction and performance of the company, and for making strategic decisions that will drive value creation. Management is responsible for executing the company's strategy and achieving business goals and objectives. In discharging their duties, both the Board and Management take into consideration our material matters and sustainability imperatives that affect our business.



# HOW WE CREATE VALUE

# HOW WE CREATE VALUE

## STRATEGY AND RESOURCE ALLOCATION

We are guided by our clearly-defined corporate and sustainability strategies which address both the short to medium term and the long-term time horizons, which are responsive to the value creation drivers we have identified for our business

## GOVERNANCE

We have embedded robust governance processes to ensure that our strategy execution is enabled by an effective organisational structure and an accountable decision-making structure

## VISION AND MISSION

We ensure that our identification and analysis of all the matters above are aligned with our Vision and Mission to create sustainable value for all

## IDENTIFICATION AND ASSESSMENT OF:

**RISKS & OPPORTUNITIES**  
We identify and analyse internal and external risks, both current and emerging, along with prevailing and future opportunities to ensure our ability to create value over time

**MATERIAL MATTERS**  
We identify the material matters that impact our ability to create value in the short, medium and long term, and take them into consideration in the development and execution of our strategy

**STAKEHOLDERS**  
We seek to understand the needs of our key stakeholders and align our business priorities against their expectations in order to create value for both MISC and our stakeholders

**OUTLOOK**  
We identify both positive and negative outlooks within our business context which inform our business priorities

## EXTERNAL ENVIRONMENT

We analyse our operating landscape to identify current trends, challenges and opportunities that shape our value creation ability

## LONG-TERM TRENDS

We identify long-term trends that are shaping our macro environment

### INPUTS



**FINANCIAL CAPITAL**  
Internally generated funds and debt financing

- Shareholders' equity of RM37.6 billion
- Cash and cash equivalents of RM7.1 billion
- Debt of RM17.9 billion



**PHYSICAL CAPITAL**  
Our universe of physical assets

- 30 LNG carriers
- 6 VLECs
- 1 LBV
- 68 Petroleum and product tankers
- 2 FSUs
- 12 Floating assets
- Marine and heavy engineering facilities
- Maritime training facility



**INTELLECTUAL CAPITAL**  
Specialist knowledge and experience in ship operation and management, ship-to-ship transfers, EPCIC and operations of floating production system, fabrication of complex heavy engineering structures, marine repairs, and operating the only MCV in the world, along with our digitalisation initiatives and innovation capacity



**HUMAN CAPITAL**  
Our base of dedicated, high performing and specialised personnel at sea and shore

- Experienced Board and senior management team
- A diverse and inclusive workforce of 9,355 employees from 44 nationalities



**SOCIAL & RELATIONSHIP CAPITAL**  
Our positive brand reputation and the strategic partnerships we develop, along with trusted relationships fostered with our stakeholders



**NATURAL CAPITAL**  
Reliance on natural resources such as fuel, water and land

### KEY ACTIVITIES

MISC Provides Core Business Solutions and Capabilities Across the Energy Value Chain

#### 4 CORE BUSINESSES

**misc** GAS ASSETS & SOLUTIONS

**aet** PETROLEUM & PRODUCT SHIPPING

**misc** OFFSHORE BUSINESS

**MHB** MARINE & HEAVY ENGINEERING

#### 3 KEY ENABLERS

**eaglestar** INTEGRATED MARINE SERVICES

**mms** PORT MANAGEMENT & MARITIME SERVICES

**alam** MARITIME EDUCATION & TRAINING

For further details on the Group's key activities, please refer to What We Do on pages 10 to 14.

### OUTPUTS



#### ENERGY RESOURCE TRANSPORTATION

- LNG carriers transported 6.1% of the world's LNG which provides cleaner energy globally (2021: 6.7%)
- Petroleum and product tankers transported an estimated 99 million tonnes of crude, petroleum products and chemicals to global customers (2021: 115 million tonnes)
- Eaglestar provided safe and reliable ship operations and successfully conducted crew change for 5,524 seafarers (2021: 10,864 crew changes)



#### OFFSHORE OIL PRODUCTION AND STORAGE

- Our floating assets processed and stored approximately 64.4% of Malaysia's crude oil (2021: processed and stored 64.4%)



#### HEAVY ENGINEERING AND MARINE REPAIRS

- MHB's Heavy Engineering segment completed one FEED project (2021: 1 sail away)
- MHB's Marine segment completed 87 vessel repair and maintenance jobs and secured 111 jobs (2021: 97 vessels and 111 jobs)



#### PORT MANAGEMENT AND MARITIME SERVICES

- MMS provided pilotage and loading master services to ports and terminals in Terengganu, Melaka, Sabah and Sarawak and its accredited inspectors and engineers performed more than 49,500 vessels' screenings, about 63,000 inspections, world-class marine operations, consultancy and assurance services (2021: more than 5,000 vessels screening, about 800 inspections)



#### SEAFARER EDUCATION

- ALAM enrolled 550 students for Cadetship, Post Sea and Ratings programmes (2021: enrolled 607 students)
- ALAM offered 18 new programmes in 2022 with over 160 customised courses



#### ASSET EXPANSION AND FLEET REJUVENATION

- Took delivery of 6 DPSTs and 2 DF VLCCs
- Ongoing construction of 12 LNGCs via a consortium (25%) and 2 more LNGCs with contract extension for 2 FPSOs (2021: 6 DPSTs, 5 VLCCs, 2 LNGCs and 1 FPSO)



#### ENVIRONMENTALLY-FRIENDLY AND SAFE OPERATIONS

- One incident of major oil spill in 2022 (Zero oil spill incident in operations since 2013 to 2021)
- Delivered 6 eco-friendly DPST for operations in international waters (2021: 1 eco-friendly DPST)
- Zero fatality in our shipping operations (2021: zero fatality)



#### ENVIRONMENT

- 4.20 million tonnes of GHG emissions (2021: 4.19 million tonnes)
- 3,362 tonnes' SO<sub>x</sub> emissions into the atmosphere (2021: 3,922 tonnes SO<sub>x</sub>)
- 21,736 tonnes of hazardous and general waste from non-shipping created (2021: 20,366 tonnes)
- 799,532 m<sup>3</sup> freshwater withdrawal consumption (for non-shipping activities) (2021: 658,153 m<sup>3</sup>)

### OUTCOMES

#### FINANCIAL CAPITAL

- Revenue of RM13.9 billion (2021: 10.7 billion)
- PAT of RM1.8 billion (2021: PAT of RM1.7 billion)
- Cash flow from operating activities of RM3.0 billion (2021: RM2.9 billion)
- Dividend payout of 33 sen per share (2021: 33 sen per share)
- Credit rating of S&P Global Ratings at BBB+, Moody's Investor Service at Baa2 (2021: S&P Global Ratings at BBB+, Moody's Investor Service at Baa2 and MARC at AAA<sub>2</sub>)
- Share price increased by 6% resulting in market capitalisation increasing to RM33.5 billion (2021: Share price increased by 3%, resulting in market capitalisation increasing to RM31.5 billion)

#### PHYSICAL CAPITAL

- Vessel availability of above 99% (2021: >97%) and utilisation rate of above 99% (2021: >99%)
- Floating asset uptime performance of above 95% (2021: >99%)
- Capex value of new contracts secured USD1.1 billion (2021: USD300 million)

#### INTELLECTUAL CAPITAL

- Developed capability to operate new class of vessels - VLECs
- Ongoing development of zero-emission vessel together with other partners under The Castor Initiative
- Commercialisation of digital ventures
- Digital transformation initiatives

#### HUMAN CAPITAL

- Enhanced leadership programme and succession planning with 98% MC and critical positions filled (2021: 97% MC and critical positions filled)
- RM78.8 million spent on training and development (2021: RM27.9 million)
- 17% females in decision making roles and 14% female employees
- Zero fatalities. LTIF at 0.08 and TRCF at 0.14 (2021: LTIF 0.15; TRCF 0.39)

#### SOCIAL & RELATIONSHIP CAPITAL

- Strong reputation and effective engagements that led to favourable outcomes in winning more contract and securing contract extensions
- Continued contribution to the growth of the nation's maritime and oil and gas industries through our well-established programmes in ALAM that promote education and awareness amongst the youth

#### NATURAL CAPITAL

- GHG reduction initiatives:
  - 17% reduction in our fleet average CO<sub>2</sub>e intensity (gas and petroleum) compared to 2008 due to improved efficiency and low carbon design of newbuild vessels (2021: 15%)
- Pollution control:
  - Almost 100% of refrigerant used on our vessels are non-ozone-depleting with zero ozone-depleting potential (2021: 97%)
- Natural resources management:
  - Through freshwater generation system onboard our vessels, about 313,388 m<sup>3</sup> freshwater withdrawal from land was avoided (2021: 315,154 m<sup>3</sup>)
- Waste management:
  - Hazardous waste from shore-based operations were 99.1% recycled, reused or recovered (2021: 99.9%), minimising impact to natural resource depletion
- Biodiversity:
  - Conducted 32 reef sites surveys and 7 reef clean-ups with 124 kg marine debris removed, 32 sites monitored for coral bleaching and predator monitoring, 4 mooring buoys installed, 9 programmes with school and community conducted and 14 beach clean-ups with 3,775 kg trash collected
  - Support SEATRU by constructed a new kitchen, washroom and recycling corner

### TRADE-OFFS

**FINANCIAL**

- Ensures our business continuity and sustains the growth of all other capitals
- Majority of capital allocated to operations and maintenance of our fleet and other assets, ongoing project requirements, new capex investments and purchasing new assets
- Capex allocations reduce our financial capital in the short term, but builds our physical capital base for longer term growth
- Long-term customer contracts for newbuild and purchased assets ensure long-term secured income streams, thus growing our financial capital into the future
- Investment 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

**PHYSICAL**

- Consisting mainly of our vessel fleet, floating assets, yards and infrastructure
- Focused on investments in eco-friendly newbuilds with lower emissions to provide greener shipping solutions towards enhancing our natural capital
- By providing clients with an eco-friendly fleet with enhanced efficiency and safety measures, we are improving our customer service, thus boosting our social and relationship capital
- Reducing our obsolete physical capital by disposing older assets through green ship recycling initiatives to positively impact our natural capital as well as contributing to energy transition and climate change imperatives for long-term sustainable growth

**INTELLECTUAL**

- Investing financial capital to drive our intellectual capital by rejuvenating our fleet with the latest technologies as well as investment in new digital start-ups to build smart ships
- Intellectual capital investments are improving our natural capital (lower emission fleet) and enhancing our human capital (new digital knowledge and skills), while boosting our social and relationship capital (improved customer satisfaction)
- Reduction in our financial capital in the short term with investment in technical solutions for our floating assets, as well as new technologies for port management, vessel inspections and yard operations
- In the long run, the integration of IR4.0 technologies across our maritime value chain will boost our intellectual capital, while internal digitalisation transformations will result in MISC as a data-driven organisation

**HUMAN**

- Our human capital's capabilities, skills and knowledge drives our intellectual capital
- Investing our financial capital in our human capital through salaries, talent development programmes and human capital management in line with our five-year business plan and longer range MISC 2050 strategies
- 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

**SOCIAL & RELATIONSHIP**

- Investing our financial capital to expand our social and relationship capital through stakeholder engagements
- Stakeholder engagements are conducted by our employees, thus impacting our human capital through manhours spent
- Expenses associated with engagements reduce our financial capital in the short term, but enables the growth of our social and relationship capital in the long term
- Our community initiatives give us the social license to operate, our regulatory engagements ensure we comply with all legal requirements, and our industry collaborations enable us to chart new paths towards sustainable future growth, thus continuously building our social and relationship capital into the future to maintain our industry reputation
- Industry collaborations focusing on zero-emission vessels and our community-based environmental programmes positively impact our natural capital
- The growth of our social and relationship capital ultimately contributes to increasing our financial capital growth as we maintain and grow our customer base

**NATURAL**

- 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 have in place MISC's commitment towards net-zero GHG emissions by 2050 and the MISC 2050 longer range strategy to explore opportunities in the renewable energy and waste-to-value value chains
- Efforts towards improving our natural capital will reduce our financial capital in the shorter term, and impact on our human, intellectual and physical capital
- Improvement of natural capital will heighten our social and relationship capital, as MISC gains an industry reputation as energy mover that is committed to a sustainable and green future

### MATERIAL MATTERS

Financial Performance

**8** FULL-TIME EMPLOYEES

Climate Change  
Energy Management  
Digitalisation

**9** HEALTHY WORKERS

Talent Attraction  
Digitalisation  
Business Knowledge

**10** AWARD WINNING

Talent Attraction  
Diversity and Inclusion  
Business Knowledge

**3** GREEN BUILDING CERTIFICATIONS  
**5** GREEN ENERGY  
**10** AWARD WINNING

Values, Governance and Business Ethics  
Community Investment

**4** SMART INVESTMENT  
**16** FULL-TIME EMPLOYEES  
**17** AWARD WINNING

Climate Change  
Energy Management  
Digitalisation  
Ocean Health  
Air Emissions  
Natural Resource Use  
Waste Management

**6** CLEAN WATER  
**12** ECONOMIC OPPORTUNITIES  
**13** AWARD WINNING  
**14** AWARD WINNING

# OUR STRATEGIC FOCUS

## Short to Medium Term (Within 5 years)

Our business strategies focus on five key areas that seek to generate secured income flows and sustainable development. The MISC five-year rolling business plan aims to strengthen our core by maximising cash from our existing assets. At the same time, we are accelerating our diversification into new asset classes and commercialising future options to sustainably generate cash into the future. Through our Sustainability Strategy 2021 – 2025, we have embedded sustainability matters within the pillars of Financial, Environment, Social, Governance and Stakeholder Engagement to ensure our long-term success and profitability. By linking MISC's strategic priorities to our material matters, we are focusing on issues and challenges that are important to our business and our stakeholders.

## SUSTAINABILITY PILLARS

<b>Financial</b>		<b>Key Focus Areas</b>  To achieve growth in a predictable manner, and through recurring sources of cashflow	<b>Strategic Priorities</b>  <b>Gas Assets &amp; Solutions segment</b> <ul style="list-style-type: none"> <li>Accelerate entry into unconventional gas carriers and commercialise future options to generate cash sustainably for the Group by:                         <ul style="list-style-type: none"> <li>Rejuvenating portfolio</li> <li>Expand new asset classes</li> </ul> </li> <li>Identifying and developing new maritime solutions and/or technologies</li> </ul> <b>Petroleum &amp; Product Shipping segment</b> <ul style="list-style-type: none"> <li>Rejuvenation of the fleet with low carbon fuelled crude tankers while investing in new business supporting energy transition solutions</li> <li>Pursuing low-carbon business solutions through collaboration and/or partnership</li> </ul> <b>Offshore Business segment</b> <ul style="list-style-type: none"> <li>Ensuring successful project delivery and execution</li> <li>Pursuing opportunities in targeted markets via partnership while investing in clean energy opportunities</li> </ul> <b>Marine &amp; Heavy Engineering segment</b> <ul style="list-style-type: none"> <li>Strengthening the core business by expanding into international market</li> <li>Enhance internal capabilities to be a competitive EPCIC contractor</li> <li>Increase value proposition for marine repair business while pursuing opportunities in modular and serial fabrication projects</li> </ul>	<b>Material Matters</b>  
	   	<b>Key Focus Areas</b>  To care for the environment and operate responsibly	<b>Strategic Priorities</b>  <b>Towards Decarbonisation</b> <ul style="list-style-type: none"> <li>Transition to low carbon operations</li> <li>Deploy zero-emissions vessel latest by 2030</li> <li>Decarbonised shipping operations by 2050</li> <li>Net-Zero GHG emissions by 2050</li> </ul> <b>Promoting Circular Economy</b> <ul style="list-style-type: none"> <li>Elimination of waste and the continual use of resources</li> <li>Increase the usage of renewable resources</li> </ul> <b>Biodiversity Conservation</b> <ul style="list-style-type: none"> <li>Conserve and rehabilitate marine biodiversity</li> </ul>	<b>Material Matters</b>  

<b>Social</b>	   	<b>Key Focus Areas</b>  To promote health and safety, individual and team excellence as well as generating positive impact on communities	<b>Strategic Priorities</b>  <b>Health and Safety</b> <ul style="list-style-type: none"> <li>Provide a safe and healthy environment for employees, contractors and our communities</li> <li>Achieve Generative HSSE Culture</li> </ul> <b>Talent Excellence</b> <ul style="list-style-type: none"> <li>Future proof talent and leadership agenda by accelerating talent potential</li> <li>Build a performance-driven workforce in an engaging and inclusive work environment</li> </ul> <b>Community Investment</b> <ul style="list-style-type: none"> <li>Foster youth development towards becoming future leaders through education</li> </ul>	<b>Material Matters</b>  
	 	<b>Key Focus Areas</b>  To foster strong governance and business ethics culture	<b>Strategic Priorities</b>  <b>Values, Assurance and Business Ethics</b> <ul style="list-style-type: none"> <li>Continuously embed a culture of strong corporate governance and business ethics and conduct</li> <li>Enhance cybersecurity framework and safeguard our operations</li> </ul> <b>Responsible Supply Chain Management</b> <ul style="list-style-type: none"> <li>Drive sustainable practices with our suppliers</li> </ul>	<b>Material Matters</b>  
<b>Stakeholder Engagement</b>		<b>Key Focus Areas</b>  To create value through trusted stakeholder relationships	<b>Strategic Priorities</b>  <ul style="list-style-type: none"> <li><b>Collaborate</b> with strategic partners</li> <li><b>Promote</b> sustainability awareness</li> <li><b>Communicate</b> effectively through identified platforms</li> <li><b>Feedback</b> sought regularly from stakeholders</li> <li><b>Transparency</b> through disclosures on sustainability-related frameworks</li> </ul>	<b>Material Matters</b>  

 Please refer to page 4 for icon details.

## Medium to Long Term (Beyond 5 years)

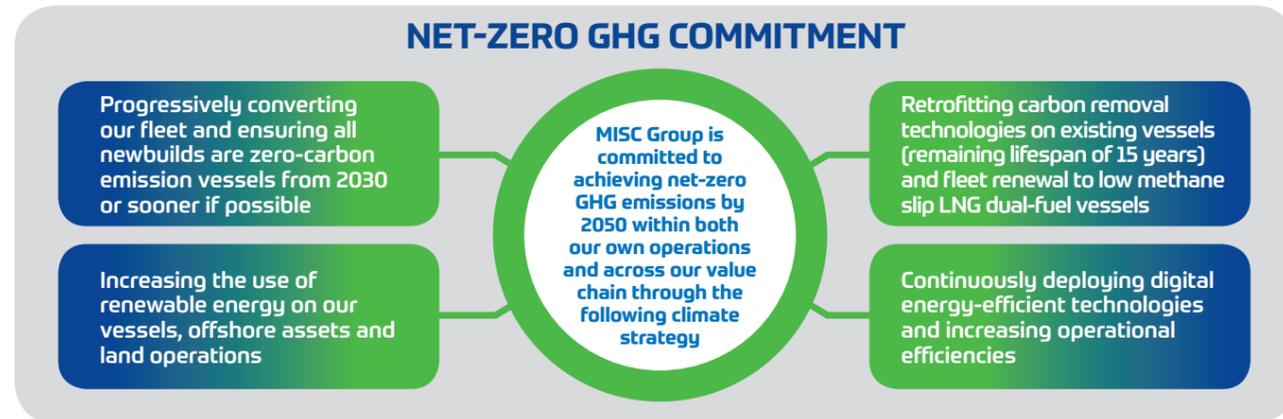
Our five-year corporate and sustainability strategies are our guiding framework to obtain positive medium-term outcomes that will bring MISC recurring revenue throughout the next 10 to 20 years. Concurrently, we have in place a longer-range strategy that is driving our progress towards MISC's next phase of growth in line with a decarbonised future. In considering the long-term horizon, MISC is cognisant of the threat of climate change and the acceleration of energy transition. To ensure our long-term business profitability, we are embracing change and innovation within our business model to make the most of opportunities for a green future through the development of new products and services, as well as new lines of business.

To build our organisational resilience to climate change risks and take advantage of opportunities available in a circular and net-zero economy, MISC is evolving our business via:

**Net-Zero GHG Commitment** – Decarbonising our operations to meet growing market demands for eco-friendly solutions, which will sustain the growth of our existing portfolio

**MISC 2050** – Simultaneously explore new income streams through our MISC 2050 long-range strategy to enable the Group to remain relevant in a future that is being shaped by energy transition and the shift towards a circular economy

## OUR STRATEGIC FOCUS



For more details on our Net-Zero GHG Commitment, please refer to our Sustainability Report 2022.

## OUR ROADMAP TO A SUSTAINABLE FUTURE



### THROUGH OUR DUAL-FOCUSED APPROACH, MISC IS:



### WHAT IS MISC 2050?

MISC 2050 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 2050. 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 Green Economy.

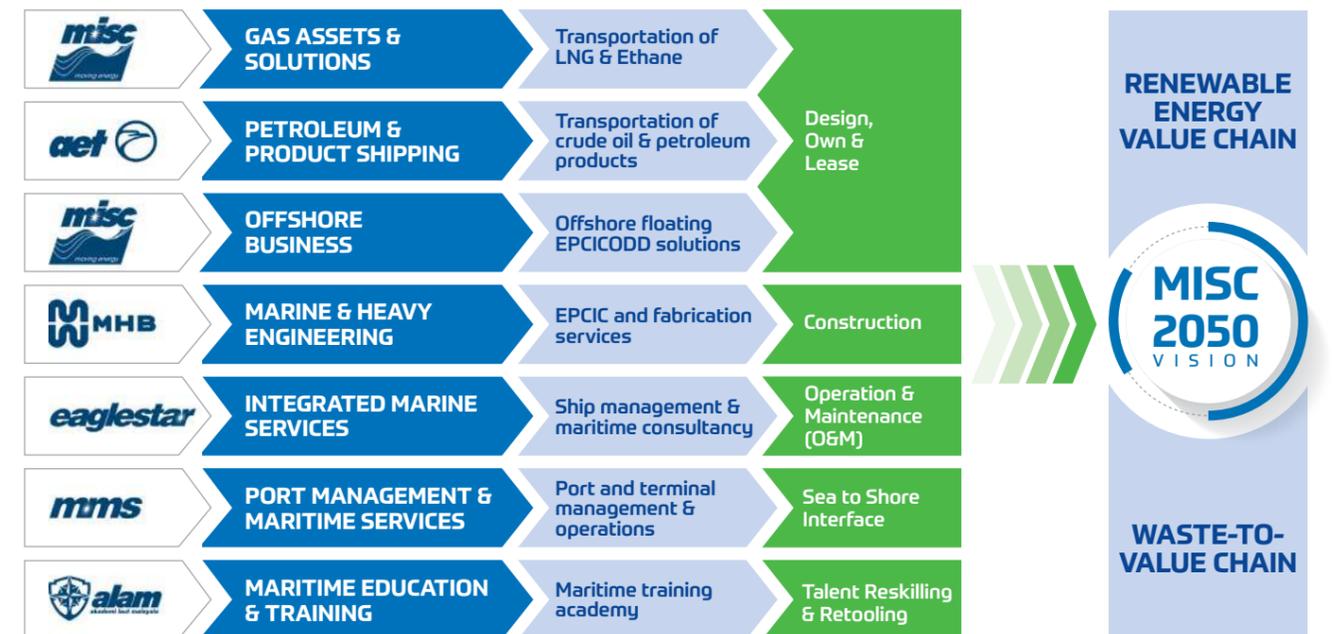
The two opportunity pillars we have identified are as follows:

- 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



### LEVERAGING ON OUR EXPERTISE AND CAPABILITIES TODAY TO ACHIEVE MISC 2050'S VISION

MISC 2050 addresses how the Group can translate opportunities identified into a fundamentally strong business proposition by leveraging on our current strengths and expertise in the maritime industry, as well as reskilling our people with the required competencies and expertise to drive our successful execution of identified opportunity pillars.



As a maritime player, MISC is well placed to become the connector bridging the land-based economy with the Green Economy through the following means:

Offshore Business, Gas Assets & Solutions and Petroleum & Product Shipping – leveraging on their experience in owning, operating and leasing large-scale maritime assets

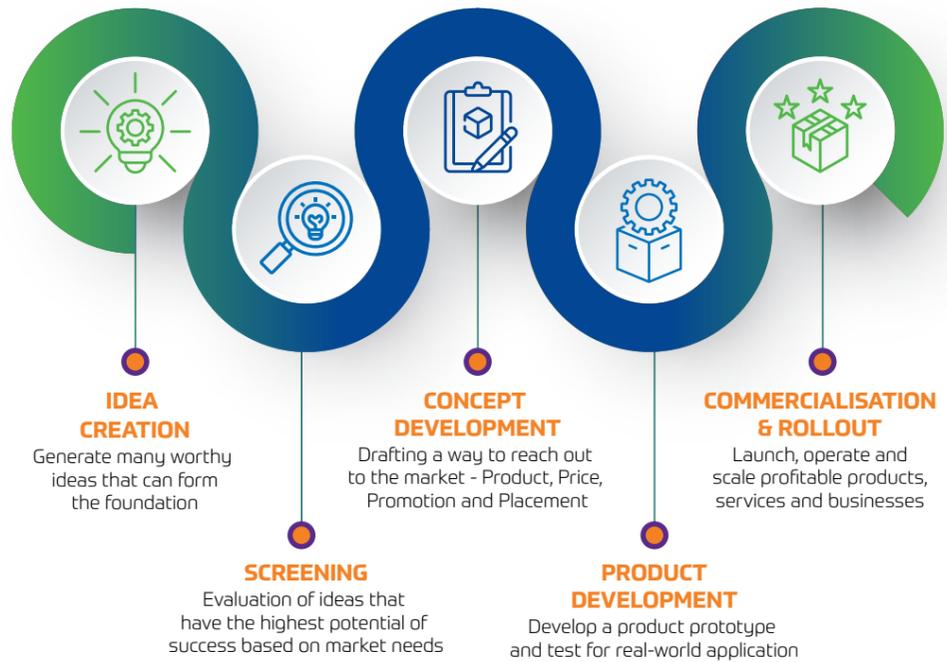
Marine & Heavy Engineering – constructing eco-friendly assets that support the Green Economy

Integrated Marine Services and Port Management & Maritime Services – using their marine-related engineering and operating expertise to explore new possibilities in the Green Economy

## OUR STRATEGIC FOCUS

Our objective is to identify new business opportunities within the two value chain pillars of Renewable Energy and Waste-to-Value, to add to our present business portfolio mix. In 2022, MISC devised our five-step commercialisation process, as depicted below.

### CONCEPT TO COMMERCIALISATION: A 5-step Process



As a first step in our commercialisation process, in 2022 we set up a task force that is evaluating the business potential of innovative solutions in CCUS. Consisting of representatives from businesses throughout the Group, the task force is tactically focused, strategically integrated, and ready to face the transition ahead. Our people are working as a team to identify the best means by which we can unlock value to drive MISC's CCUS venture.

Thus, our dual-pronged strategic approach of the longer-range MISC 2050 strategy and the short to medium term five-year rolling business plan enables us to actively explore new ideas or opportunities that we can commercialise for the medium to long-term future. As our ideas become ready for commercialisation, we venture into these new areas as strategic business ventures within our five-year business plans. Our approach will result in the gradual evolution of our business portfolio mix to feature these new MISC 2050 inspired businesses as the Group's main income drivers and engines of growth in the future.

**MISC 2050 is the clarion call to reimagine our roles socially and economically to future proof ourselves over the next decade and beyond.**



## OUR MATERIAL MATTERS

### OUR SIGNIFICANT SUSTAINABILITY MATTERS

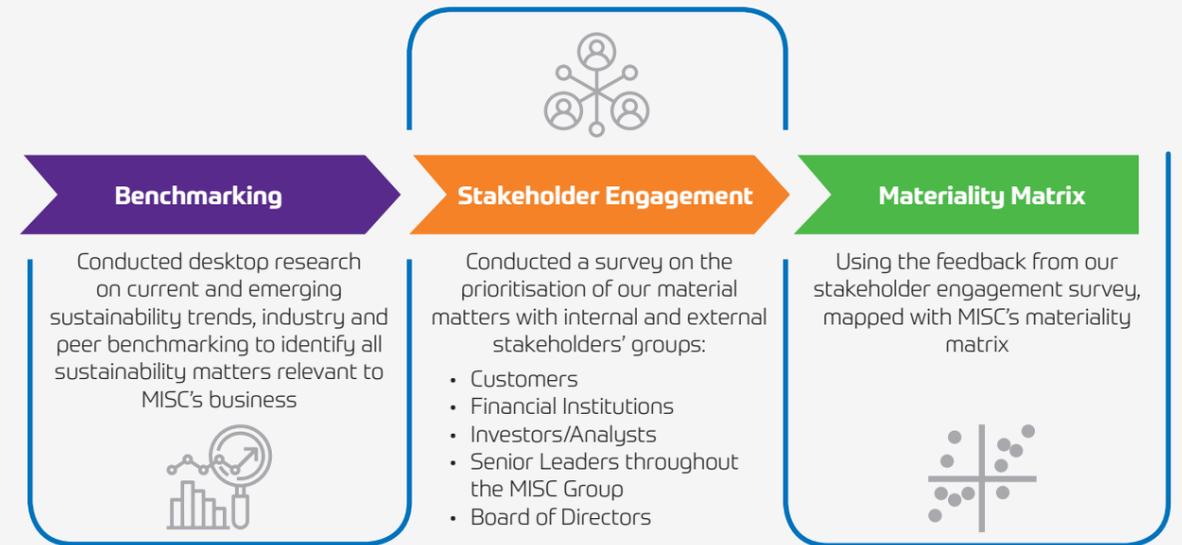
At MISC, our sustainability agenda has been developed and embedded into our business strategy and operations to address concerns that matter most to both our internal and external stakeholders.



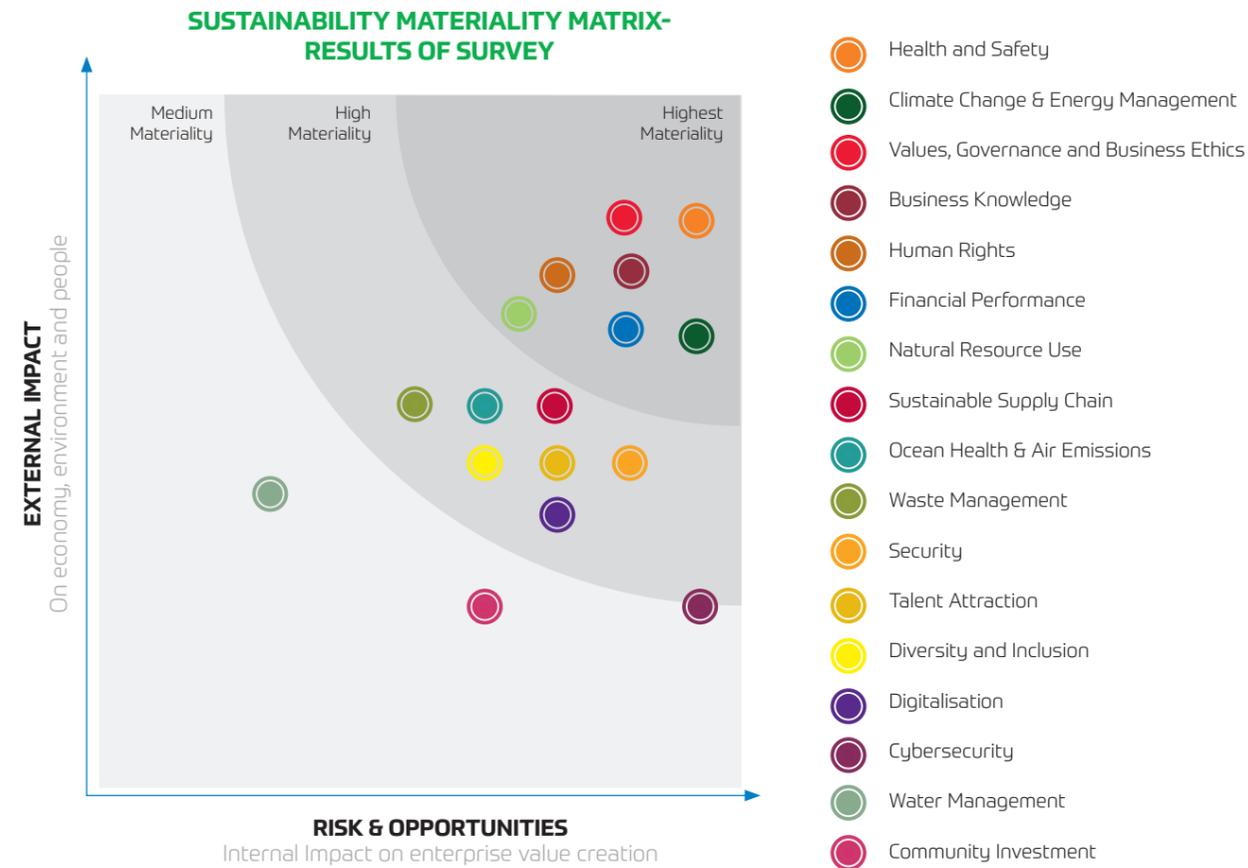
### OUR MATERIAL TOPICS SELECTION PROCESS

In 2022, we conducted a materiality assessment exercise through engagements with our key stakeholders to assess the sustainability matters that are most material to MISC.

### 3-stage Assessment Process



# OUR MATERIAL MATTERS



CREATING BUSINESS VALUE

We use the results of our materiality assessment to:

- Align our Sustainability Strategic Priorities with our material matters and relevant UNSDGs
- Guide us on the disclosure topics in our annual reporting
- Reinforce the linkages between ESG risks, opportunities and corporate purpose
- Guide us in setting our sustainability-related targets and commitments

Refer to Prioritising What Matters Most section in our Sustainability Report for more details on our material matters and how we mapped it with our Sustainability Strategy and UNSDGs.

Our contributions to the UNSDGs were mapped according to the sustainability material topics.

Material Matter	Description	Sustainability Strategic Priorities	Related UNSDGs
<b>Health and Safety</b>	Continued safety and health of employees, assets and our cargo	Social Pillar – Health and Safety	
<b>Values, Governance and Business Ethics</b>	Conducting ourselves with the highest standard of integrity and embedding good corporate governance and business ethics	Governance Pillar – Values, Assurance and Business Ethics	
<b>Business Knowledge</b>	Increased business knowledge and employees' expertise	Financial Pillar	
<b>Human Rights</b>	Human rights management on employee, contractors, supply chain, security and community well-being	Governance Pillar – Values, Assurance and Business Ethics	
<b>Financial Performance</b>	Fluctuating prevailing economic conditions and market sentiment	Financial Pillar	
<b>Climate Change</b>	Accelerated demands to combat climate change, reflected in the International Maritime Organisation's (IMO) GHG initial strategy (IMO 2030 and IMO 2050) for the shipping sector in 2018	Environment Pillar – Towards Decarbonisation	
<b>Energy Management</b>	Managing and reducing fossil-fueled energy consumption of our vessels, buildings and yard operations and switching to alternative fuels or renewable energy	Environment Pillar – Towards Decarbonisation	
<b>Natural Resource Use</b>	Operating in a responsible manner to reduce our environmental footprint	Environment Pillar – Promoting Circular Economy	
<b>Sustainable Supply Chain</b>	Ensuring suppliers are on track with their sustainability agenda towards fully integrated ethical and environmentally responsible practices aligning with low-carbon and circular economy business models	Governance Pillar – Responsible Supply Chain	

## OUR MATERIAL MATTERS

Material Matter	Description	Sustainability Strategic Priorities	Related UNSDGs
<b>Ocean Health</b>	Ocean health and pollution prevention strategies to reduce impacts on ocean biodiversity	Environment Pillar – Biodiversity Conservation	
<b>Air Emissions</b>	Monitoring air emissions from our vessels and yard operations to ensure they do not exceed statutory limits	Environment Pillar – Towards Decarbonisation	
<b>Waste Management</b>	Responsible management of waste generated from our operational activities	Environment Pillar – Promoting Circular Economy	
<b>Security</b>	Security protection of our people and assets from physical actions, intrusions and other events and threat actors as well as accidents and natural disasters, such as fires, floods, earthquakes and severe weather	Social Pillar – Health and Safety	
<b>Talent Attraction</b>	Establishing a sustainable talent stream across all job levels to provide seamless leadership and talent succession planning	Social Pillar – Talent Excellence	
<b>Diversity and Inclusion</b>	Employing a diverse workforce that promotes an open-minded culture and encourages new ways of thinking	Social Pillar – Talent Excellence	
<b>Digitalisation</b>	Digitalisation to rapidly respond to changes based on data-driven decisions and innovative ideas to serve customers more effectively	Financial Pillar	
<b>Cybersecurity</b>	Critical data protection from unauthorised access and any potential disruption to business continuity	Governance Pillar – Values, Assurance and Business Ethics	
<b>Water Management</b>	Practicing responsible water management at our yard operations to ensure our effluents limits do not exceed statutory requirements	Environment Pillar – Promoting Circular Economy	
<b>Community Investment</b>	Employee involvement in our community investment programmes	Social Pillar – Community Investment	

Refer to the Sustainability Report for more information on our Material Matters.

## OUR STAKEHOLDERS

MISC’s commitment to create positive impacts that benefit the global maritime and energy sectors is supported by our strategic stakeholder engagement pillar. Our quest to create value is guided by our efforts to conduct close engagements, awareness, dialogue, and collaboration with our universe of stakeholders. In an increasingly changing world that is geared towards a net-zero future, proactive stakeholder engagement forms a critical component of our business strategy as we embrace their feedback on key issues of significant importance.

Develop business initiatives to boost engagement and achieve goals

Measure engagement outcomes as part of value creation tracking

### MISC’S STAKEHOLDER ENGAGEMENT STRATEGY

Define short-, medium-, and long-term strategies and goals from feedback

Map identified stakeholder value proposition against material topics

### MISC STAKEHOLDER ENGAGEMENT PRINCIPLES

**Collaborate with strategic partners**

**Promote sustainability awareness**

**Communicate effectively through identified platforms**

**Feedback sought regularly from stakeholders**

**Transparency through disclosures on sustainability-related frameworks**

Refer to Our Stakeholders’ Universe section of the Sustainability Report for details of our stakeholder engagement strategy and engagement principles.

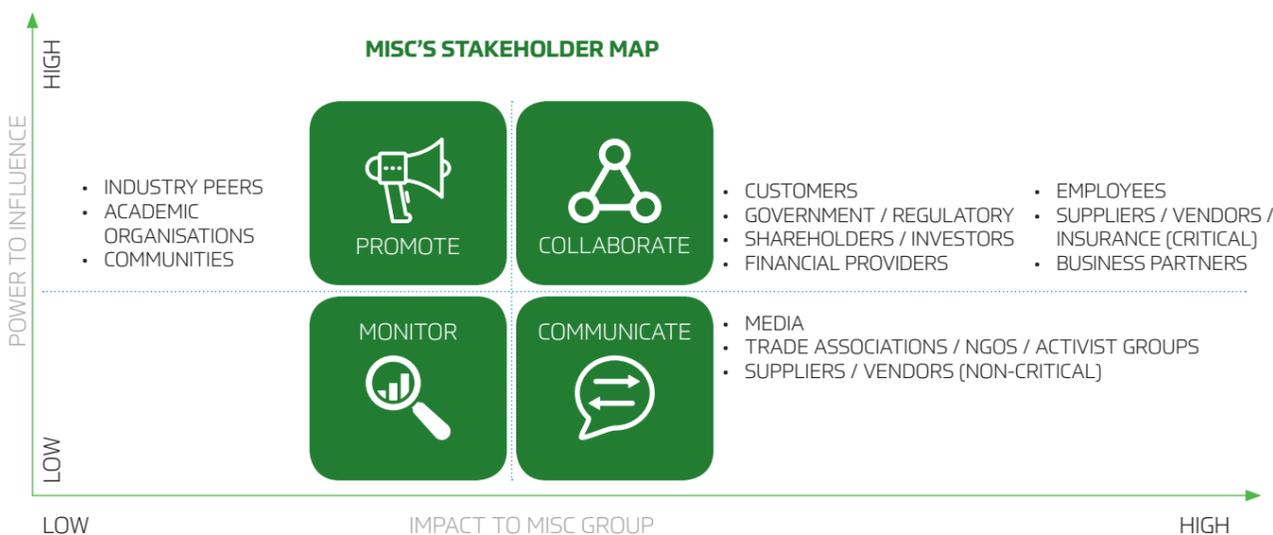
## OUR STAKEHOLDERS



### STAKEHOLDER PRIORITISATION

MISC's prioritised key stakeholders are those who are the most likely to impact the Company's achievement of its strategic objectives and those who can be positively or negatively impacted by our operations and activities.

Our stakeholder map plots the influence and dependence of each stakeholder group on MISC as follows:



Refer to Our Stakeholders' Universe section of the Sustainability Report for details of our Stakeholder Prioritisation and Stakeholder Map.

### OUR STAKEHOLDER ENGAGEMENTS

We use a variety of platforms and engagement methods to build long-lasting relationships with our stakeholders.

Refer to Building Trusted Relationship section of the Sustainability Report for details of our key engagements with stakeholders.

# OUR OPERATING ENVIRONMENT

In 2022, as the COVID-19 pandemic eased into the endemic phase, volatility arising from the Russian invasion of Ukraine and China's zero-COVID policy bore pressure on the global economy. Energy security became a pressing issue in Europe as a result of the Russia-Ukraine war, while oil prices rose to record highs signifying the resurgence of the O&G sector. At the same time, the global agenda to address energy transition and climate change accelerated. As a result, demand for more eco-friendly fuel and energy sources grew. The Russia-Ukraine war coupled with lockdowns in China from its zero-COVID policy caused supply chain disruptions to continue, although the lifting of border closures throughout most countries worldwide eased mobility and travel.

MISC Group was cognisant of the impacts these global trends and volatility would have on our business, and we considered their short- and medium-term implications as we executed our five-year rolling business plan. Our five-year business plan saw the Group focusing on strengthening our core by maximising cash from existing assets while accelerating our diversification into new asset classes and commercialising future options to sustainably generate cash for MISC. Through our longer range MISC 2050 strategy, we are addressing climate-related risks and opportunities which are shaping the journey towards a net-zero future by the year 2050. Implementing this strategy alongside our short-term business plan is enabling the Group to future proof our business by venturing into areas of opportunity that exist in the maritime decarbonisation and energy transition space to become a thriving business in a net-zero and circular economy.



# OUR OPERATING ENVIRONMENT

## SHORT AND MEDIUM TERM (< 5 YEARS)

### THE FALLOUT OF GEOPOLITICAL TURMOIL

Following the start of the Russia-Ukraine conflict in February 2022, western countries introduced widespread sanctions, targeting Russian individuals, banks, businesses including exports, across industries.

A few months later, the fallout of the war is being felt globally as it threatened regional energy security, aggravated the existing supply chain crisis, and stunted global economic growth.

Towards the year end, the global economy experienced a broader and sharper slowdown than forecasted, with inflation higher than seen in several decades. Most central banks have tightened their financial policies and continuously raised their interest rates to contain the rising inflation.

In December, most countries have opened their borders and loosened up COVID-19 restrictions, particularly China easing their COVID-19 restrictions.

#### Outlook and Opportunities

According to the IMF, a third of the global economy will be in recession in 2023. The cost-of-living crisis, tightening of the financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 endemic, all weigh heavily on the outlook.

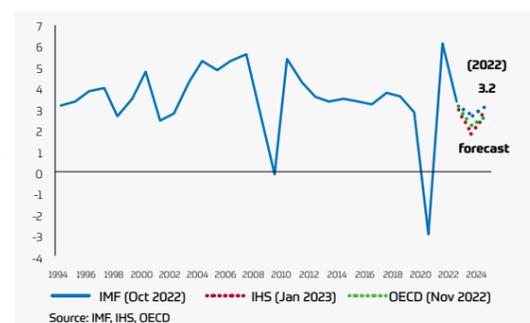
The impact of higher interest rates may grow bigger, affecting the consumers, businesses across industries, as well as governments.

Meanwhile, China has decided to relax its COVID-19 control measures and open its borders starting Jan 2023. Many economists and analysts have forecasted that China's economy is set to continue its recovery at a faster pace, and this can be a major contributor to the global economy.

#### Implications to MISC

- MISC long-term charters and other sources of secured revenue with strong counterparties has enabled us to generate sustainable and recurring income over the years. Additionally, the Group's diversified portfolio of businesses protects us against market volatility.
- To ensure health and safety, we continue to take all necessary measures to protect our employees as COVID-19 shifted from the pandemic to endemic phase.
- 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.

#### World Real GDP Growth (%)



#### Material Matters

Financial Performance

#### Risks

Geopolitical Instability      Project Management

### GLOBAL ENERGY CRISIS

Oil prices have increased to a record high during the year, mainly caused by the Russia-Ukraine war. While western countries were mulling on sanctioning Russian oil, the IEA and the US has decided to execute the largest oil reserve release in history, to cool the high oil prices.

In May, the EU decided to ban most Russian oil imports by the end of the year. Subsequently in October, OPEC+ has agreed to a steep oil production cut, curbing supply in an already tight market.

Meanwhile, Russian supplies to the EU have significantly reduced. This has pushed the commodity's price to a historic high as the EU scrambled for alternative sources.

The EU depends heavily on Russian gas supply, at 40% of its total consumption. To replace this, the EU has decided to increase its LNG imports. However, the rising LNG demand in Asia and soaring LNG prices have made it tough for EU to materialise its LNG import plan.

#### Outlook and Opportunities

The IEA forecasted the global oil demand to increase despite the ongoing concerns on potential global recession. This forecast is supported mainly by demand recovery by the largest oil importer, China, due to relaxation of its COVID-19 restrictions.

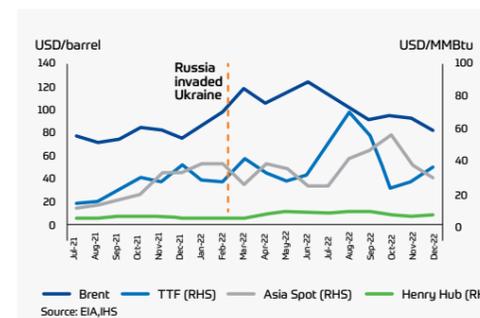
Similarly, LNG demand and supply are expected to grow steadily, driven by the increase in demand by the European and Asian countries, particularly China. Meanwhile, the US is poised to become the world's top LNG exporter in 2023, ahead of Australia.

#### Implications to MISC

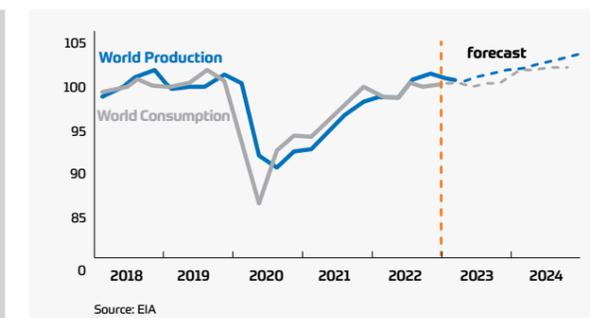
- In 2022, MISC's businesses have remained steady, underpinned by strong fundamentals and stable portfolio of existing long-term contracts. Amidst the uncertain environment during the year, the Group's business segments focused on project execution and delivery alongside extension of existing and securing new contracts.

For more details, please refer to the Offshore and Shipping sections below.

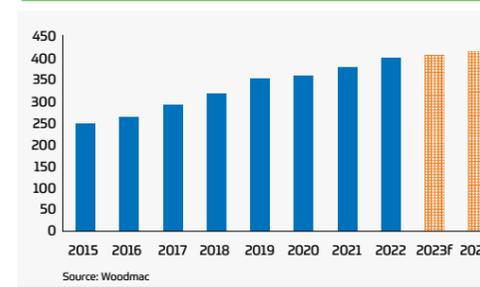
#### Oil and Gas Prices



#### World liquid fuels production and consumption balance (mbpd)



#### Global gross LNG imports (Mt)



#### Material Matters

Financial Performance

#### Risks

Geopolitical Instability      Project Management      Asset Availability, Utilisation and Marketability

# OUR OPERATING ENVIRONMENT

## SHORT AND MEDIUM TERM (< 5 YEARS)

### OFFSHORE SECTOR

Given the high crude oil prices, CAPEX spending on global upstream E&P in 2022 continued to grow to pre-pandemic levels as seen in both onshore and offshore sectors.

The international demand for FPSO vessels remained robust while the FPSO market remained tight. There were 12 FPSOs awarded throughout the year, a historic 10-year high.

Meanwhile, 2022 is a record year for FSRU as 14 FSRUs were awarded during the year, the highest in history. The demand for FSRU surged rapidly mainly in the European region, in their effort to increase LNG imports to replace Russian gas supply.

#### Outlook and Opportunities

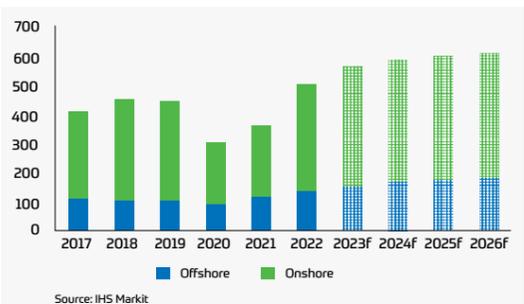
The global offshore E&P CAPEX spending is forecasted to continue growing for the next few years, mainly in the North American region. More FPSO awards are expected in 2023.

At the same time, there are growing concerns about inflation and rising interest rates, access to finance, and supply chain constraints which are causing delays in vessel deliveries.

#### Implications to MISC

- The Offshore Business segment continues to focus on the execution of the FPSO project in hand while sourcing for opportunities in targeted markets in the Atlantic Basin, Southeast Asia and Asia Pacific regions. In the meantime, its existing portfolio of long-term contracts will underwrite its financial performance.
- In 2022, the Marine & Heavy Engineering segment secured two major contracts which will sustain its recurring income into the medium term future. These are the EPCIC Alliance contract for the Kasawari CCS Project by PCSB – the world's largest and Malaysia's first CCS project – and the EPC services for the offshore platform Rosmari-Marjoram gas project which will be powered by solar energy.
- In the short- to medium-term, the segment remains focused on entering into strategic partnerships to expand its portfolio of solutions and services that answer the demands of energy transition and maritime decarbonisation. These include venturing into offshore wind farms and modular structures. The segment is also exploring opportunities for major EPCIC projects in Qatar, having been given the licence to bid as an EPCIC contractor in the country in 2022.

Global upstream E&P CAPEX (USD billion)



#### Material Matters

- Financial Performance
- Energy Management
- Climate Change

#### Risks

- Project Management
- Talent Development and Retention
- Asset Availability, Utilisation and Marketability
- Health and Safety

### SHIPPING SECTOR

The seaborne oil trade has completely redefined as the EU decided to ban Russian seaborne oil imports. Trade data shows that China, the largest oil importer has increased its crude oil import from Russia while the EU was sourcing oil imports from other countries.

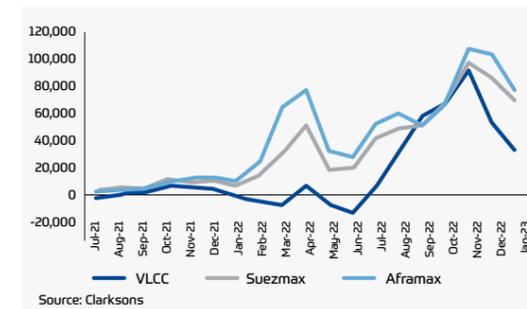
As a result, the tanker market has shifted towards less-efficient, longer-haul trade, creating higher tonne-mile demand. Due to tight tonnage supply, tankers average earnings have recovered from record lows as seen in 2021 to a historic high in 2022.

Similarly, the LNG tanker market benefited from the Russian-Ukraine war when the EU rushed to import LNG from other countries. As LNG imports surged, the Europe was facing bottlenecks in regasification and regional distribution.

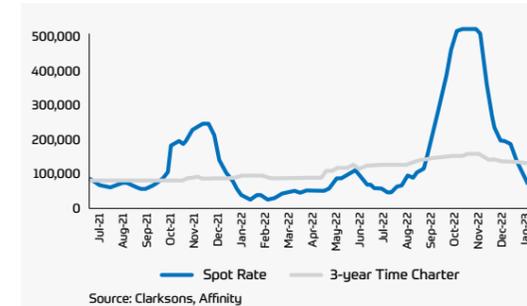
Many LNG carriers were stranded for longer time, unable to unload cargo at the European ports. This has put more pressure to the already tight LNG carrier supply, pushing the average spot rates to a new high.

Meanwhile, an extraordinary number of LNG carrier newbuildings have been ordered in 2022. More than 150 full-size LNG carriers were contracted by the end of the year, double the previous tally in 2021.

Petroleum tankers average earnings (USD/day)



LNG carrier 160k cbm average rates (USD/day)



#### Outlook and Opportunities

The outlook of the oil tanker market is expected to remain positive mainly due to the ban of seaborne oil import from Russia, which is causing the trade market to change tides, as well as the increase in crude oil import quotas by China, following the re-opening of its borders and relaxation of its COVID-19 restrictions.

The global LNG demand is expected to continue rising, with a large jump in volumes going to Europe. Meanwhile, the US is poised to become the world's top LNG exporter in 2023, ahead of Australia.

#### Implications to MISC

- Alongside positive business environment for petroleum shipping, the Petroleum & Product Shipping segment managed to deliver six dual-fuel DPSTs and two newbuild dual-fuel VLCCs. The segment will continue to focus on building long-term secured income through its niche shuttle tanker business and rejuvenation of its fleet with eco-friendly tankers.
- During the year, the GAS business segment managed to secure 12 newbuilding LNGCs (25%) with QatarEnergy via consortium partners. Besides this, GAS business strengthened its partnership with SeaRiver Maritime via a long-term time charter for two more LNGCs, extending its total of four. The operating income of the segment continues to remain stable, supported by its existing portfolio of long-term charters. For the medium term, the segment selectively exploring conventional and non-conventional LNG shipping solutions to support its long-term growth strategy.

For more information, kindly refer to respective segments' Business Review on Petroleum & Product Shipping and GAS Business.

#### Material Matters

- Financial Performance

#### Risks

- Project Management
- Talent Development and Retention
- Asset Availability, Utilisation and Marketability
- Health and Safety

# OUR OPERATING ENVIRONMENT

## MEDIUM TO LONG TERM (> 5 YEARS)

### DECARBONISING THE MARITIME INDUSTRY

Environmental concerns remain at the forefront of global discourse and trends. Worldwide, heightened calls for action were noted in limiting global temperature rises to less than 1.5°C. In 2022, at COP27, the shipping sector's climate actions were highlighted and the need to convert climate action pledges to concrete action was stressed. Alongside this, leading organisations and initiatives across the shipping value chain along with the largest producers of green hydrogen signed a Joint Statement on Green Hydrogen and Green Shipping at COP27.

#### Outlook and Opportunities

The IMO has set the ambition of reducing the shipping sector's GHG emissions by at least 50% by 2050 compared to 2008; and reducing the carbon intensity of ships by 40% by 2030, and 70% by 2050 compared to 2008 levels.

During the 77th session of the IMO's Marine Environment Protection Committee (MEPC), the committee adopted two new regulations mandating the reduction of CO<sub>2</sub> emissions, namely Energy Efficiency Existing Ship Index and Carbon Intensity Indicator. These measures are to be implemented from 2023 onwards.

#### Our Response

- In February 2022, MISC pledged to net-zero GHG emissions by 2050, with a mid-term target of 50% GHG intensity reduction by 2030, compared to a base year of 2008 for our shipping operations.
- MISC along with our partners continue to progress on The Castor Initiative to develop ammonia-fuelled ZEVs by 2030. In April 2022, AET signed an MOU with two members of The Castor Initiative – Lloyd's Register - for the deployment of the first two ammonia-fuelled zero-emission VLCCs.
- In September 2022, AET also signed an MOU with PTT for the development and construction of two zero-emission Aframaxes which are slated for delivery in 2025 and 2026 respectively.
- MISC has been a supporter of the TCFD since 2021. Having implemented TCFD initiatives in our core business segments in 2021, in 2022 we expanded this to our key enablers segments. We have translated the findings of our TCFD analysis into MISC's Climate Framework which guides in terms of climate governance, climate strategy, climate risks and metrics and targets.

 For more details, refer to SR2022, under Environment Performance and TCFD Report.

Material Matters		Risks	
 Climate Change	 Ocean Health	 Increasing Climate Related Regulations and Requirements	 Governance and Integrity
 Natural Resource Use	 Energy Management		
 Air Emissions			

### ENERGY TRANSITION

The rise in development of alternative energy sources and new efficient technologies as substitutes for fossil fuels is a long-term trend that will affect energy players. Plummeting costs have made it more and more attractive to deploy solar and wind infrastructure. More resources are being invested to improve energy storage technologies such as batteries, to overcome the energy intermittency limitations of renewables.

Meanwhile, increasing demands for climate change action by various stakeholders is starting to affect the appetite for investment and funding of oil and gas projects.

Similarly, governments will be continuously revising their energy policies to meet the net-zero carbon emission initiatives by 2050. The scope and rate of carbon tax is expected to increase in the long run.

#### Outlook and Opportunities

Going forward, natural gas will remain a key component of the energy mix and will continue to grow, wresting away market share mainly from coal. In the longer term, demand for hydrocarbon is projected to decline, starting with coal and oil. Nevertheless, oil is expected to continue playing a significant role in global energy mix even until 2050.

In line with the global climate change agenda, investors and financiers would shift their interest away from the oil and gas sectors.

Renewables will gain momentum. Over the next 20 years, renewables will see the largest growth in the world's energy mix, driven by technological advances.

As the world moves towards a net-zero and circular economy, the shift to renewable energy and the unlocking of value through proper and efficient management and reusing/recycling of waste will become even more pronounced.

#### Our Response

- MISC 2050 will drive our businesses to identify, develop and commercialise new business portfolios that will be relevant in the circular and net-zero carbon economy come 2050.
- As part of our Green Initiative, AET, Lloyd's Register and Samsung Heavy Industries, the founding members of The Castor Initiative, signed an MOU for the development and construction of two zero-emission VLCCs in April 2022.
- In September 2022, PTT and AET signed an MOU for the development and construction of two zero-emission Aframaxes to be powered by green ammonia.
- In the longer term, new businesses commercialised by MISC 2050 will eventually take over as the main driver of income and growth for the Group.

Material Matters		Risks		
 Climate Change	 Increasing Climate Related Regulations and Requirements	 Shift in Stakeholder's Preference Towards Low Carbon Solutions	 Technology Developments	
 Natural Resource Use	 Health and Safety	 Talent Development and Retention		
 Energy Management				

# OUR OPERATING ENVIRONMENT

## MEDIUM TO LONG TERM (> 5 YEARS)

### ADVANCEMENT IN TECHNOLOGY AND DIGITALISATION IN THE MARITIME SECTOR

The accelerated adoption of technology in the maritime sector, with commercial and environmental needs as key enablers, is driving the future evolution of the sector. The integration of advanced technologies such as blockchain applications, cargo and vessel tracking, autonomous ships and artificial intelligence into the shipping sector will enable industry players to better cater to customer needs and demands. Alongside this, R&D focusing on new fuels and propulsion systems, as well as technology for reducing emissions are beginning to take centre stage.

Similarly, the energy sector is also undergoing a rapid pace of digitalisation, as reflected in increasingly more investments made in digital technologies over the last few years. O&G companies are seeking out synergistic non-traditional partnerships with companies in the fields of technology, transportation and commerce, as they focus on developing cost-effective solutions across their value chain.

#### Outlook and Opportunities

Investments in the emerging technology space is expected to increase further, especially those which provide access to green energy sources and alternative fuel options. In the coming years, technological and digital transformation will accelerate along with cross-sectoral collaborations and technology-based partnerships.

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.

#### Our Response

- Through AET, MISC has strategically invested with other partners in climate tech start-up, Daphne Technology, which focuses on developing solutions that converts toxic and GHG pollutants into non-hazardous by-products which are either released into the environment or transformed into valuable products. The venture is on track with scaling up and commercialising its solutions in the near future.
- MISC's investment in three digital ventures aim to drive the transformation of the maritime industry by improving safety and digitalising decarbonisation and inventory management systems. These disruptor technologies will form the basis for the smart ship by leveraging on automation and assistive technologies to ensure safety, efficiency, and environmental sustainability.
- MISC's digital strategy also focuses on becoming a data-driven organisation by integrating digital ways of doing things into our corporate DNA. This is being effected by the transformation of our finance, procurement and document control systems which will enable us to access data and information to make more informed and precise business decisions.

#### Material Matters

- Digitalisation
- Business Knowledge

#### Risks

- Technology Developments
- Cybersecurity
- Talent Development and Retention

# OUR RISKS AND MITIGATION STRATEGIES

With a constantly evolving business landscape, there is a need for MISC to continuously scan the environment to monitor our exposures and turn risk into opportunities in order to protect and grow our business. While we remain focused on our journey ahead, we also take cognisance of the degrees of uncertainty that may impact our business decisions and operational activities. In 2022, we continued to monitor climate risk, the development of technology on low carbon solutions as well as relevant laws and regulations along with other business risks.

Details of the Group's risk management framework and processes can be found in the Statement on Risk Management and Internal Control of this report.

The following are the key risks that the Group is currently facing and our responses to those risks.

<h2>1 INCREASING CLIMATE RELATED REGULATIONS AND REQUIREMENTS</h2>	<b>Material Matters</b> Climate Change Ocean Health Values, Governance and Business Ethics Natural Resource Use Energy Management	<b>Capitals Affected</b> Human Natural
	<b>Description</b> <ul style="list-style-type: none"> <li>• Inability to meet increasing number of climate related policies and legislations such as the IMO GHG standard, EEXI, CII, and EU ETS</li> <li>• Demands from various stakeholders; capital providers, clients, and regulators to showcase our commitment to the global sustainability agenda</li> </ul>	<b>Trend</b> Upward
<b>Implications</b> <ul style="list-style-type: none"> <li>• Increasing cost of compliance due to higher capital expenditures to retrofit existing assets to meet new requirements and potential carbon pricing</li> <li>• Losing competitive edge to other players due to high carbon emission and non-compliant to laws</li> </ul>	<b>Mitigation/Response</b> <ul style="list-style-type: none"> <li>• Continuous assessment of climate-related risks and opportunities in line with the Task Force on Climate-Related Financial Disclosures framework</li> <li>• Execution of short to medium term strategic initiatives to achieve the mid-term target of 50% reduction in GHG intensity from shipping operations by 2030 (with 2008 as baseline year) and Net-Zero GHG emissions by 2050:                     <ul style="list-style-type: none"> <li>• Development of ammonia-fuelled ZEVs through partnership in The Castor Initiative</li> <li>• Deploy commercially viable low-carbon technologies into our newbuild fields</li> </ul> </li> <li>• Establishing long-term decarbonisation pathway plan in line with increasing environment standards and international decarbonisation goals</li> </ul>	

## OUR RISKS AND MITIGATION STRATEGIES

### 2 SHIFT IN STAKEHOLDER'S PREFERENCE TOWARDS LOW CARBON SOLUTIONS



#### Description

- Increasing environmental awareness causing investors and financiers to move away from the oil and gas industry
- Shift in customer's preferences for low-carbon and environmental-friendly solutions

#### Implications

- Asset obsolescence/ reduced demand for assets due to a stronger push to transition to renewable energy and solutions
- Access to funding is conditional upon compliance with IMO's GHG strategy
- Higher cost of borrowing

#### Trend

Upward

#### Mitigation/Response

- The Castor Initiative aims to develop ZEVs
- Explore and develop low-carbon services and opportunities progressively as new income streams that will support both the circular and net-zero economy as per our MISC 2050 Framework

### 3 TECHNOLOGY DEVELOPMENTS



#### Description

Inability to keep up with the acceleration of new technologies on low-carbon solutions, automation and digitalisation in the maritime industry which may result in the Group losing its competitive advantage.

#### Implications

- Higher CAPEX and OPEX required for implementing low carbon new technologies in our assets
- Premature obsolescence of technology in existing assets
- Unpreparedness of the workforce to adapt to the new technologies

#### Trend

Upward

#### Mitigation/Response

- Direct adequate capital and resource investments into digitalisation upgrades and initiatives for assets
- Adopting latest available technology on board our newbuilds/ new assets
- Transformation of internal processes and systems for better synergies within the organisation
- Continuously retooling and reskilling the workforce to adapt to changes in operational requirements and processes in relation to new technologies

### 4 GEOPOLITICAL INSTABILITY



#### Description

- General geopolitical instability in China and the Russia-Ukraine war reverberated throughout the year causing financial sanctions, rising commodity prices and supply chain disruptions
- Tensions among countries in the form of war, sanctions, terrorism, trade wars, territorial disputes and piracy

#### Implications

- Impacts on new business opportunities, operational safety and adverse commercial outcome on existing contracts
- Cost escalation in materials and services impacting operations and project execution
- Delay in completion of projects and asset downtime

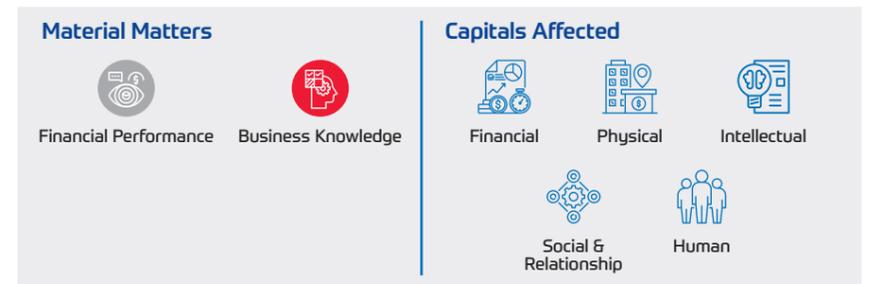
#### Trend

Neutral

#### Mitigation/Response

- Conducting comprehensive and holistic risk assessment on the exposures of each project and business opportunities
- Performing detailed background checks on partners and clients to avoid dealing with sanctioned countries/ persons
- Increasing operating controls on existing projects and tightening security of assets

### 5 PROJECT MANAGEMENT



#### Description

Poor project planning and execution can potentially impact successful completion of our projects. Key projects undertaken include new shipbuilding, asset construction and floater conversions among others.

#### Implications

- Ineffective project management may lead to delays in project completion, cost overruns and quality deficiencies
- Erosion of project returns
- Possibility of increased variation orders

#### Trend

Neutral

#### Mitigation/Response

- Establishing dedicated project management teams to ensure projects are executed efficiently
- Adherence to the project management guideline and timely closure of risks identified via Project Risk Assessment Framework

## OUR RISKS AND MITIGATION STRATEGIES

### 6 ASSET AVAILABILITY, UTILISATION AND MARKETABILITY

<b>Material Matters</b>  Financial Performance	<b>Capitals Affected</b>  Financial  Physical  Social & Relationship
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**Description**

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

**Implications**

- Disruptions to the business due to repairs, breakdowns and prolonged off-hire periods
- Inability to meet asset performance targets and requirements, which may impede vessel tradability
- Not keeping up with the minimum vessel capability results in assets being stranded/ idle

**Trend**

Neutral

**Mitigation/Response**

- Maintenance works are timely performed as planned
- Leveraging on technology and the Internet of Things (IOT), up-to-date systems in developing effective maintenance schedules and ensure tradability of the fleet
- Maintaining highly skilled and trained personnel to operate assets at optimal levels
- Continuously reviewing and monitoring vendors and third-party service providers' performance to ensure consistent high standard of practices in supporting the Group's operations and maintenance of assets

### 7 GOVERNANCE AND INTEGRITY

<b>Material Matters</b>  Values, Governance and Business Ethics	 Human Rights	<b>Capitals Affected</b>  Financial  Human
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**Description**

Compliance with statutory and regulatory requirements which govern our operations and activities. This also includes meeting internationally accepted standards and best practices for compliance and ethics.

**Implications**

- Potential litigation risks, financial disputes, reputational damage and other impacts due to non-compliance to critical laws and regulations
- Exposed to business disruptions and loss of trust

**Trend**

Neutral

**Mitigation/Response**

- Ensure adherence to MISC's Anti-Bribery and Corruption manual, Code of Conduct and Business Ethics, Economic Sanctions and Export Control, and Competition Law among others
- Performance and adherence towards relevant laws and regulation embedded into the overall key performance measurement
- Conducting assurance activities and continuous awareness and training on the laws surrounding ethics and compliance

### 8 HEALTH AND SAFETY

<b>Material Matters</b>  Health and Safety	 Security	<b>Capitals Affected</b>  Human  Social & Relationship
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**Description**

Incidents that result in injury, loss of life, damage to asset and environment due to poor HSSE culture and management.

**Implications**

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

**Trend**

Neutral

**Mitigation/Response**

- HSSE policy adopted and embedded into the Group's working culture
- Conducting HSSE assurances on assets to ensure integrity and reliability are maintained
- Continuously monitoring all HSSE related risks

### 9 CYBERSECURITY

<b>Material Matters</b>  Cybersecurity	<b>Capitals Affected</b>  Financial
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**Description**

Acceleration in the digital transformation of business and operations calls for stringent and improved processes and technologies to protect our data and information and avoid breaches and leakages

**Implications**

- Reputational damage and loss of trust among stakeholders
- Business disruptions and exposure to penalties for potential leakage of information

**Trend**

Upward

**Mitigation/Response**

- Implement Cybersecurity Control Standards
- Continuous cybersecurity assessment to identify potential vulnerabilities and weaknesses
- Inculcate the cybersecurity culture through awareness and training
- Exploit newer technologies and methods to detect any data leakages and other breaches

### 10 TALENT DEVELOPMENT AND RETENTION

<b>Material Matters</b>  Talent Attraction	 Diversity and Inclusion	<b>Capitals Affected</b>  Human  Intellectual
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**Description**

- Challenge to attract and retain talents in a maritime industry remains stiff
- Inability to retain a strong human capital team and develop knowledge and skills in line with industry demands

**Implications**

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

**Trend**

Neutral

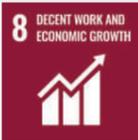
**Mitigation/ Response**

- Undertake detailed succession planning and initiatives to ensure a sustainable pipeline of talents
- Deploy a structured and holistic development process with the objective of continuously building employees' competency and capability levels
- Implementation of a structured Functional Competency and Leadership Competency framework

# DELIVERING OUR STRATEGY

MISC is guided by our five-year rolling business plan and our Sustainability Strategy 2021 – 2025 which are the strategic tools we use to deliver value for our business and stakeholders. To create meaningful and sustainable value, we are focusing on strengthening the core by maximising cash from existing assets while accelerating our diversification into new asset classes and commercialising future options to sustainably generate cash for the Group.

In implementing our strategy, we take into consideration all our business' material sustainability considerations to ensure that we are able to deliver financial rewards to our shareholders and investors, as well as create sustainable value and positive outcomes for our customers, business partners, employees and communities. Both our five-year rolling business plan and our Sustainability Strategy 2021 – 2025 are closely aligned with our longer range MISC 2050 strategy, which has set the Group on course to become a thriving business in the net-zero future.

Sustainability Pillars	Key Focus Areas	Strategic Priorities	Key Achievements	Reference to Other Sections
<b>Financial</b> 	To achieve growth in a predictable manner, and through recurring sources of cash flow	<b>Gas Assets &amp; Solutions segment</b>	Gas Assets & Solutions segment <ul style="list-style-type: none"> <li>Accelerate entry into unconventional gas carriers and commercialise future options to generate cash sustainably for the Group by:                             <ul style="list-style-type: none"> <li>Rejuvenating portfolio</li> <li>Expand new asset classes</li> </ul> </li> <li>Identifying and developing new maritime solutions and/or technologies</li> </ul>	Gas Assets & Solutions Business Review on pages 108 to 111
		<b>Petroleum &amp; Product Shipping segment</b>	Petroleum & Product Shipping segment <ul style="list-style-type: none"> <li>Strengthening our secured income stream through rejuvenation of the fleet with low carbon fuelled crude tankers while investing in new business supporting energy transition solutions</li> <li>Pursuing low-carbon business solutions through collaboration and/or partnership</li> </ul>	Petroleum & Product Shipping Business Review on pages 112 to 117

Sustainability Pillars	Key Focus Areas	Strategic Priorities	Key Achievements	Reference to Other Sections
<b>Financial</b>		<b>Offshore Business segment</b>	Offshore Business segment <ul style="list-style-type: none"> <li>Ensuring successful project delivery and execution</li> <li>Persuing opportunities in targeted markets via partnership while investing in clean energy opportunities</li> </ul>	Offshore Business segment <ul style="list-style-type: none"> <li>Secured contract extensions for two assets - FPSO <i>Bunga Kertas</i> and FPSO <i>Ruby 2</i></li> </ul> Offshore Business Review on pages 118 to 123
		<b>Marine &amp; Heavy Engineering segment</b>	Marine & Heavy Engineering segment <ul style="list-style-type: none"> <li>Strengthening the core business by expanding our international market</li> <li>Enhance internal capabilities to be a competitive EPCIC contractor</li> <li>Increase value proposition for marine repair business while pursuing opportunities in modular and serial fabrication projects</li> </ul>	Marine & Heavy Engineering segment <ul style="list-style-type: none"> <li>Secured contracts from SSB to undertake the EPC services of the offshore platform for the Rosmari-Marjoram gas project, off the coast of Sarawak, offshore Malaysia and PCSB to undertake the Front-End Engineering Design (FEED) and the provision of EPCIC Alliance services of the offshore platform for the Kasawari CCS project, off the coast of Sarawak, offshore Malaysia</li> <li>Successfully completed FEED for Kasawari CCS</li> <li>MMHE entered into strategic partnerships with a maritime clean technology company, Silverstream Technologies for its air lubrication technology and with Bureau Veritas Solutions on Hull Improvements</li> <li>Strengthened our Renewable Energy (RE) Offshore Wind Farms (OWF) proposition through a strategic alliance with Dyna-Mac.</li> <li>The Edge Malaysia ESG Awards 2022 named MHB as the recipient of the Silver Award in the Energy category.</li> </ul> Marine & Heavy Engineering Business Review on pages 124 to 129
		<b>Towards Decarbonisation</b>	Towards Decarbonisation <ul style="list-style-type: none"> <li>Transition to low carbon operations</li> <li>Deploy zero-emissions vessel latest by 2030</li> <li>Decarbonised shipping operations by 2050</li> <li>Net-Zero GHG emissions by 2050</li> </ul>	Towards Decarbonisation <ul style="list-style-type: none"> <li>Stepped up on our TCFD journey by expanding the scope to our key enablers business segments and developing MISC Climate Framework</li> <li>Implemented climate-related risk integration measures into our risk management process and formalised the climate scenario analysis process as part of MISC's annual strategic planning exercise</li> <li>Set up a task force to evaluate the viability of innovative solutions in the area of CCUS</li> <li>Embarked on developing our own MISC internal carbon pricing.</li> </ul> Our Decarbonisation Pathway in the Sustainability Report

## DELIVERING OUR STRATEGY

Sustainability Pillars	Key Focus Areas	Strategic Priorities	Key Achievements	Reference to Other Sections
<b>Environment</b>    	To care for the environment and operate responsibly	<b>Towards Decarbonisation</b> <ul style="list-style-type: none"> <li>Transition to low carbon operations</li> <li>Deploy zero-emissions vessel latest by 2030</li> <li>Decarbonised shipping operations by 2050</li> <li>Net-Zero GHG emissions by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Reduced fleet average CO<sub>2</sub>e intensity by 17% compared to 2008 baseline</li> <li>Set a midterm target to achieve 50% GHG intensity reduction for shipping operations by 2030 against a baseline year of 2008, and a long-term target to achieve Net-Zero GHG emissions for all operations by 2050</li> <li>Pledged our Net-Zero GHG Emissions Commitment by 2050</li> <li>Conducted a materiality assessment of our Scope 3 emissions according to the Greenhouse Gas Protocol – Technical Guidance for Calculating Scope 3 for our key businesses i.e. Petroleum &amp; Product Shipping, Offshore Business and Marine &amp; Heavy Engineering Business</li> </ul>	 Our Decarbonisation Pathway in the Sustainability Report
		<b>Promoting the Circular Economy</b> <ul style="list-style-type: none"> <li>To promote the elimination of waste and the continual use of resources</li> <li>To increase the usage of renewable resources</li> </ul>	<ul style="list-style-type: none"> <li>Issued MISC Group Ship Recycling Policy on 1 September 2021</li> <li>Initiated Ship Recycling Yard Assurance Programme in 2022 to pre-approve yards used by MISC for safe and responsible ship recycling</li> <li>Developed MISC Group Ship Recycling Guidelines in 2022 incorporating sustainable social and ecological responsibility for safe and responsible ship recycling</li> <li>Set 4R (Refuse, Reduce, Reuse, and Recycle/ Recover) targets for hazardous, non-hazardous, paper, and plastic waste to be achieved by 2025</li> </ul>	 Promoting Circular Economy in the Sustainability Report
		<b>Biodiversity Conservation</b> <ul style="list-style-type: none"> <li>To conserve and rehabilitate marine biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Expanded our Heart of the Ocean (HOTO) Programme to cover conservation of mangrove forests</li> <li>Invested RM300,000 in the HOTO Programme for conservation of coral reefs and mangrove forests, and protection of sea turtles</li> <li>Conducted three Employee Participation Programmes with 77 employees taking part in volunteerism activities for HOTO</li> <li>MMS sponsored RM200,000 for UMT-MMS Sea Turtle Conservation Initiative</li> <li>MHB embarked on River Rehabilitation Programme in 2022</li> </ul>	 Conserving Marine Biodiversity in the Sustainability Report

Sustainability Pillars	Key Focus Areas	Strategic Priorities	Key Achievements	Reference to Other Sections
<b>Social</b>    	To promote health and safety, individual and team excellence as well as generating positive impact on communities	<b>Health and Safety</b> <ul style="list-style-type: none"> <li>To provide a safe and healthy environment for employees, contractors and our communities</li> <li>To achieve Generative HSSE Culture</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatalities in 2022</li> <li>In December 2022, the MSOSH awarded FSO <i>Puteri Dulang</i> its first Gold Class Occupational Safety &amp; Health (OSH) Award, while FSO <i>Orkid</i> obtained its third Gold Class OSH Award</li> <li>FSO <i>Orkid</i> was also awarded the Hibiscus Petroleum Monsoon Safety Campaign Zero Incident Award 2021/2022</li> <li>Obtained the Occupational Safety and Health Gold Class I award at the MSOSH Awards 2022</li> </ul>	 Operating Safely in the Sustainability Report
		<b>Talent Excellence</b> <ul style="list-style-type: none"> <li>To futureproof talent and leadership agenda by accelerating talent potential</li> <li>To build a performance-driven workforce in an engaging and inclusive work environment</li> </ul>	<ul style="list-style-type: none"> <li>Introduced a refined performance rating scale that commensurates with our rewards programme</li> <li>Revised and enhanced our medical benefits, flexible benefits and leave benefits to remain competitive and provide benefits in line with employees' expectations</li> <li>Rolled out various Diversity &amp; Inclusion activities and awareness sessions</li> <li>Continued to provide employees with various flexible working arrangements – Flexwear, Flexwork, Flexhour, and Flexcareer</li> <li>Employee Assistance Programme provides holistic support covering physical, mental and emotional well-being</li> <li>Promoting psychological and physical health through various programmes – Mental Health Framework (Assist, Breathe and Care), Mindfulness Programme, Virtual Walking Challenges, Workout Wednesdays and Quarterly Health Talks</li> <li>Conducted PETRONAS Organisational Cultural Survey 2022 (POCS 2022) with a response rate of 95%</li> <li>Launched Career Management Framework to promote employee self-driven career pathing</li> <li>Established Technical Management Development Committee (TMDC) to develop technical professionals and engineers</li> <li>RM78.9 million invested in capacity building</li> <li>Achieved &gt;90% target set for High Performing Talent Retention and Succession Planning MC positions (target: 2:1 ratio) for two consecutive years</li> </ul>	 Our People, Our Strength in the Sustainability Report

## DELIVERING OUR STRATEGY

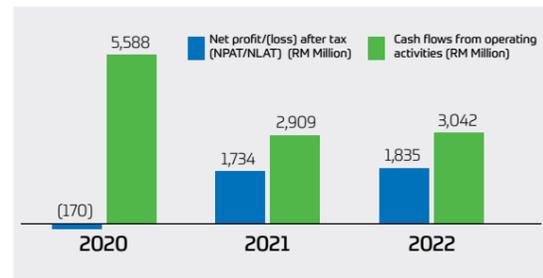
Sustainability Pillars	Key Focus Areas	Strategic Priorities	Key Achievements	Reference to Other Sections
<b>Social</b>		<b>Community Investment</b>	<ul style="list-style-type: none"> <li>Sponsored 751 students with an investment of RM24.2 million for ALAM Cadet Scholarship programme in 2022 through Eaglestar</li> <li>AET sponsored two more students via the AET-MaritimeOne Scholarship and 10 students at Texas A&amp;M University Galveston Campus</li> </ul>	 Partnering with the Community in the Sustainability Report
<b>Governance</b>	To foster strong governance and business ethics culture	<b>Values, Assurance and Business Ethics</b>	<ul style="list-style-type: none"> <li>Implemented company-wide and management compliance scorecards to measure the compliance levels of every business unit, service unit and subsidiaries (both management and employees) in 2022</li> <li>Conducted the annual MISC Compliance and Ethics Culture Survey in September 2022 and recorded a significant increase in ratings in four categories - Leadership, Ethical Risk Assessment, Bribery &amp; Corruption Programme, and Ethics Training and Education</li> <li>Strengthened the Group's Compliance and Ethics framework and oversight of the Group's Business Ethics and Conduct</li> <li>Implemented the mandatory Compliance e-Learning modules on the Six Critical Legal Areas (CLA)</li> <li>Delivered 18 awareness and engagement programmes on Six CLAs</li> <li>83% of MISC Group certified with ISO37001 ABMS - MISC Group, AET, MHB, MMS and Eaglestar</li> <li>Conducted annual Bribery and Corruption Risk Assessment (BCRA)</li> <li>Introduced 145 Operational Legal Areas (OLA) Functional Checklists (FC) in MyAssurance platform to capture assurances to applicable laws and regulations other than CLAs</li> <li>Group Internal Audit conducted a review of our CoBE and Compliance Governance</li> <li>Scored full marks for Governance theme in FTSE4Good Bursa Malaysia for three consecutive years</li> <li>Completed human rights risk assessment for Offshore Business, ALAM and Group Security</li> </ul>	 Operating Responsibly in the Sustainability Report   Strengthening Cybersecurity in the Sustainability Report

Sustainability Pillars	Key Focus Areas	Strategic Priorities	Key Achievements	Reference to Other Sections
<b>Governance</b>		<b>Responsible Supply Chain Management</b>	<ul style="list-style-type: none"> <li>Conducted awareness and engagement sessions with our suppliers sharing our ESG agenda and MISC Group Supply Chain ESG Self-Assessment Framework</li> <li>2022 ESG Self-Assessment for suppliers results - 15% in the "Meets Requirements" category; 60% were in the "Meet Some Requirements" category; and 25% were in the "Needs Improvement" category</li> <li>Developed digital procurement platform which introduced Category Management to streamline our procurement processes</li> </ul>	 Embracing a Sustainable Supply Chain in the Sustainability Report
<b>Stakeholder Engagement</b>	To create value through trusted stakeholder relationships	<ul style="list-style-type: none"> <li><b>Collaborate</b> with strategic partners</li> <li><b>Promote</b> sustainability awareness</li> <li><b>Communicate</b> effectively through identified platforms</li> <li><b>Feedback</b> sought regularly from stakeholders</li> <li><b>Transparency</b> through disclosures on sustainability-related frameworks</li> </ul>	<ul style="list-style-type: none"> <li>Conducted MISC Group Stakeholder Engagement and Materiality Assessment Survey which consists of 3 parts - Customer Satisfaction Survey, Stakeholder Engagement Survey, and Materiality Assessment</li> <li>Engaged actively with stakeholders on MISC's ESG performance and sustainability strategy</li> <li>Constituent of the Dow Jones Sustainability Index (Emerging Markets) for the second consecutive year</li> <li>Inaugural entry into S&amp;P Global Yearbook 2023 - listings shows distinction companies with strong companies commitment on Corporate Sustainability</li> <li>Constituent of FTSE4Good Bursa Malaysia for nine consecutive years</li> <li>Scored "low risk" by Sustainalytics' ESG Risk Ratings for two consecutive years</li> </ul>	 Building Trusted Relationship in the Sustainability Report

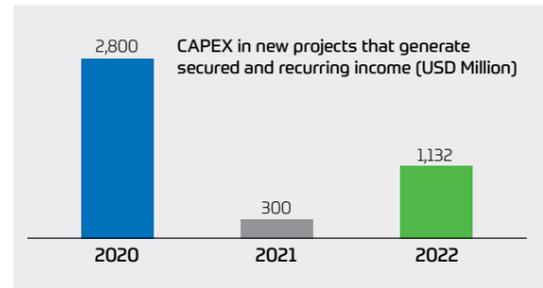
# DELIVERING OUR STRATEGY

## OTHER KEY PERFORMANCE INDICATORS AND RESULTS

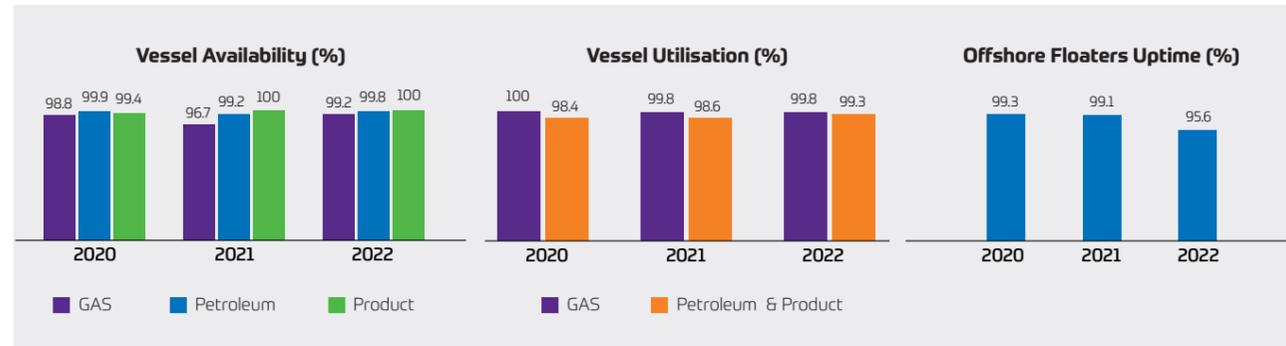
### Financial



### Strategic Initiative



### Operations



### Health, Safety and Environment

	2020	2021	2022
Number of Fatalities	1	0	0
Major Spill Incidents	0	0	1
Lost Time Injury Frequency	0.04	0.15	0.08
Total Recordable Case Frequency	0.18	0.39	0.14

### People Development

Succession planning - Ratio of potential successors for:

	2020	2021	2022
Management Committee Positions	2.36:1	2.33:1	2.58:1
Critical Positions	1.86:1	2.03:1	2.08:1



# SUSTAINABILITY

Anchoring Sustainability @ MISC

86

# ANCHORING SUSTAINABILITY @ MISC



**CAPTAIN RAJA SAGER MUNIANDY**  
Vice President  
Group Health, Safety, Security and Environment

**MISC's Sustainability Strategy maps our pathway towards contributing to the evolution of a net-zero future. Our Net-Zero GHG emissions commitment guides us on our transition plans towards decarbonisation. We are equally committed to championing social values and practicing strong and ethical governance. By embedding our sustainability strategy into our business strategy, we are set on course towards ensuring that MISC remains a thriving business that delivers value to all stakeholders.**

## OUR SUSTAINABILITY GOVERNANCE STRUCTURE

MISC's Board of Directors (Board) sits at the apex of our sustainability governance structure and maintains strict oversight of the Group's sustainability strategy and performance to manage our economic, environmental and social risks and opportunities. The Board is supported by multiple levels of working committees and teams, with clear lines of reporting and accountability in place. The Corporate Sustainability department under the Group HSSE division provides strategic management of material sustainability matters including, but not limited to, the formulation of sustainability strategies, priorities, and targets.

### SUSTAINABILITY GOVERNANCE STRUCTURE



## ESG-RELATED REMUNERATION

The following ESG metrics are incorporated into operational performance indicators and strategic initiatives as part of our management remuneration scorecard for the year 2022:



# ANCHORING SUSTAINABILITY @ MISC

## STAKEHOLDER ENGAGEMENT

At MISC, we engage closely with our key stakeholders as we believe that active stakeholder engagement is a key part of our business approach. We tailor our engagements based on the nature of the relationship and build a stakeholder-inclusive approach to creating value.

MISC had several touchpoints throughout 2022 to engage with customers, investors, financial institutions, and other stakeholders who are interested in our ESG performance.

In 2022, MISC conducted a stakeholder engagement feedback survey to seek feedback on our materiality matters, customer satisfaction, and how well we engage with our stakeholders.

Details on our stakeholder engagement activities and how we respond to our key stakeholders can be found in Our Stakeholders section and further elaborated in our Sustainability Report 2022.

## MATERIAL MATTERS

We conduct a materiality assessment regularly to ensure that MISC focuses on the issues that are of greatest importance to our stakeholders and is effectively and meaningfully addressing them. These materiality topics are validated by various levels of our sustainability governance. We refined our materiality topics based on internal and external feedback received, developments in the industry and operating environment relevant to the maritime sector, emerging ESG trends, as well as stakeholder expectations.

Our latest materiality assessment was completed in 2022. Through the analysis of our findings, we identified a total of 19 issues, with eight being the most material:



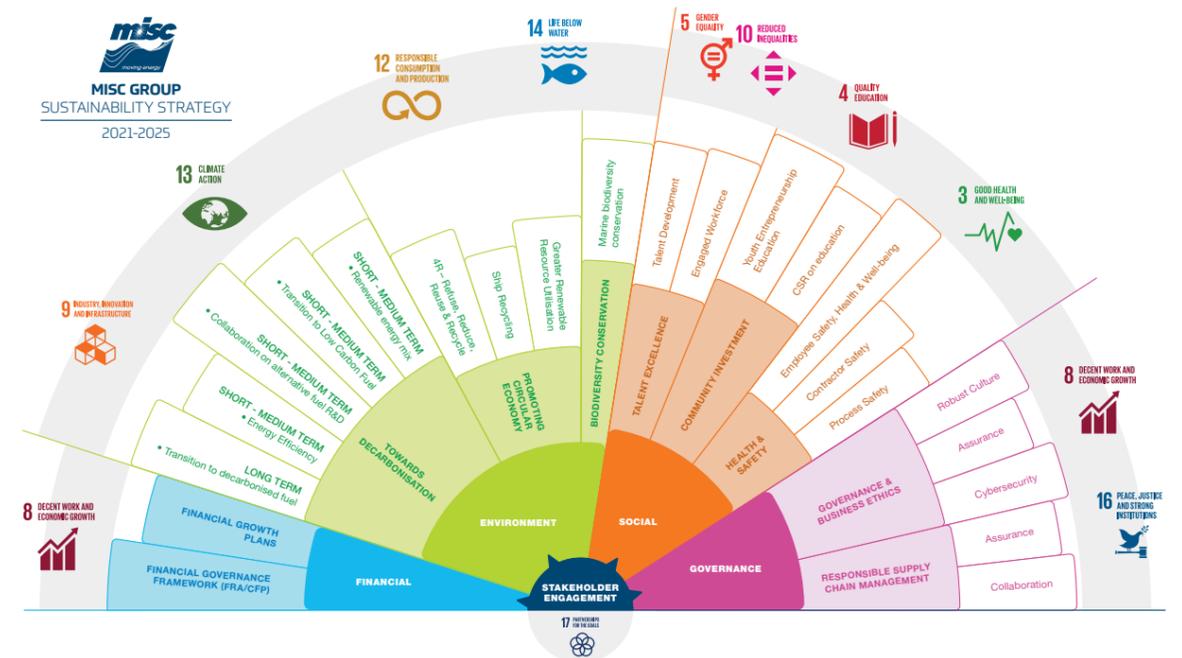
Elaboration on how we define our material matters and materiality matrix can be found in Our Material Matters section and further elaborated in our Sustainability Report 2022.



## OUR 2021-2025 SUSTAINABILITY STRATEGY

MISC's Sustainability Strategy is our five-year roadmap which formulates a five-year strategic plan. The strategy is based on stakeholder feedback on our material matters and in consultation with employees and senior management from all subsidiaries and business units through various workshops. The current strategy was approved by MISC Board in 2020 and is reviewed annually.

Our strategy addresses 10 strategic priorities which we then grouped into five pillars namely, Financial, Environment, Social, Governance and Stakeholder Engagement. For each pillar, strategic priorities, commitments, targets and action plans were derived for each year leading up to the year 2025.



## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDG)

MISC has in place, focused initiatives and programmes that support the following 11 UNSDGs

- 3 GOOD HEALTH AND WELL-BEING**  
Our strong HSSE culture is defined by a broad spectrum of programmes that promote the health and well-being of our employees, contractors and our communities.
- 4 QUALITY EDUCATION**  
Our talent development agenda is geared towards promoting skills throughout our workforce, including technical and vocational skills, to empower people to gain employment and decent jobs as well as encouraging entrepreneurial skills.
- 5 GENDER EQUALITY**  
We proactively encourage female participation in the maritime industry, to ensure the full and effective participation of women as well as their access to equal opportunities for leadership at all levels of decision making.
- 8 DECENT WORK AND ECONOMIC GROWTH**  
Through our policies and processes that uphold labour rights, and promote a safe and secure work environment, we are encouraging sustainable economic growth and decent work for all.
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**  
Through the greater adoption of clean and environmentally sound technologies, we are designing or retrofitting our assets towards more sustainable performance that optimises the efficient use of resources.
- 10 REDUCED INEQUALITIES**  
Our various workplace policies are designed to ensure equal opportunities at the workplace, irrespective of age, gender, nationality or cultural background.
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**  
We are driving towards better sustainable consumption by promoting the circular economy, through measures designed to eliminate waste and promote the use of renewable resources, as well as sustainable procurement practices.
- 13 CLIMATE ACTION**  
We design and operate assets that either combat or reduce the effects of climate change.
- 14 LIFE BELOW WATER**  
As a responsible maritime operator, we have in place, programmes that sustainably manage and protect marine ecosystems by strengthening their resilience and take action towards their restoration to maintain sustainable ocean health.
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS**  
We foster a strong governance and business ethics culture to fight corruption and modern slavery and promote fair practices.
- 17 PARTNERSHIPS FOR THE GOALS**  
By encouraging and participating in multi-stakeholder partnerships that mobilise and share resources on expertise and technology, we are promoting a global partnership towards a sustainable maritime industry.

# ANCHORING SUSTAINABILITY @ MISC

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

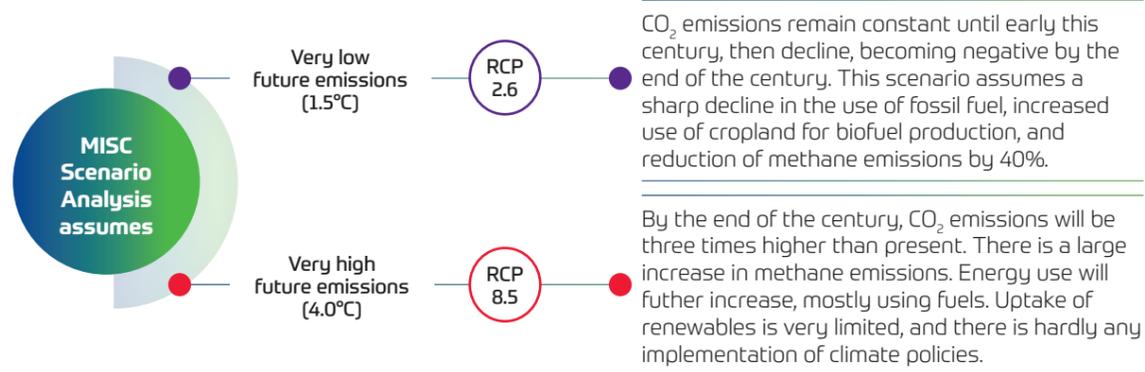
Since 2021, MISC has been a supporter of the TCFD Recommendations to embed the core elements of climate management into our business. The outcomes of our TCFD analysis conducted in 2021 has been translated into MISC's Climate Framework which encompasses the core elements of climate governance, climate strategy, risks, and metrics and targets.

This report in the Integrated Annual Report is a summary of our second TCFD Report that can be found within our Sustainability Report.

### SCENARIO ANALYSIS

In 2022, we expanded the scope of our TCFD initiatives from our core business segments of Gas Assets & Solutions, Petroleum & Product Shipping, Offshore Business and Marine & Heavy Engineering to our key enablers' business segments of Maritime Education & Training, Port Management & Maritime Services, and Integrated Marine Services. Our climate scenario analysis is conducted in line with the Intergovernmental Panel on Climate Change's (IPCC) sixth assessment report. We review and assess our business resilience under two global warming scenarios, a low emissions pathway (1.5 °C) and a high emissions pathway (4 °C).

### ASSUMPTIONS UNDER MISC'S SCENARIO ANALYSIS



## Driving Forces

	Low Emissions Scenario (In line with a 1.5 °C world)	High Emissions Scenario (In line with a 4.0 °C world)
<b>ENVIRONMENTAL</b>	<ul style="list-style-type: none"> <li>Sea level rise already occurring</li> <li>Changes in sea wave patterns</li> <li>Extreme weather effects on infrastructure and communities</li> </ul>	<ul style="list-style-type: none"> <li>Sea level rise worsening</li> <li>Greater risks in absence of mitigation measures</li> <li>Unpredictable sea wave patterns</li> <li>Greater frequency and impacts of extreme weather</li> </ul>
<b>POLITICAL &amp; LEGAL</b>	<ul style="list-style-type: none"> <li>International collaboration</li> <li>Policies to support 'Net-Zero' transition</li> <li>Government incentives and collaboration on:                             <ul style="list-style-type: none"> <li>- Carbon pricing</li> <li>- GHG legal frameworks and acts</li> <li>- Industry environmental standards</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Carbon pricing not broadly adopted or at a lower price</li> <li>Large differences across regions and countries on environmental standards and requirements</li> </ul>
<b>TECHNOLOGICAL</b>	<ul style="list-style-type: none"> <li>Renewable and carbon-neutral fuel developments</li> <li>Collaborations and investments increasing on CCUS technologies and cross-sector CCUS adoption</li> </ul>	<ul style="list-style-type: none"> <li>Process efficiency focus and slower shift towards best performing technologies</li> <li>Lack of collaboration</li> <li>Increased costs of energy transition</li> <li>Lack of funding to deploy CCUS on a large scale</li> </ul>
<b>ECONOMIC</b>	<ul style="list-style-type: none"> <li>GDP growth: between 1.5%-2.5% annually</li> <li>Rapid transformation towards renewables and as a large part of energy systems</li> <li>National energy transition plans in place</li> </ul>	<ul style="list-style-type: none"> <li>GDP growth: between 1.3% - 2.3% annually</li> <li>Slower transformation towards renewables</li> </ul>
<b>REPUTATION &amp; SOCIAL</b>	<ul style="list-style-type: none"> <li>Stakeholder pressure for climate risk management</li> <li>Trends in working age populations and customers concerned on company ESG performance</li> </ul>	<ul style="list-style-type: none"> <li>Increased pressure and urgency placed on companies for action</li> <li>Heightened working age populations and customers concerned on company ESG performance</li> </ul>



# ANCHORING SUSTAINABILITY @ MISC

## OUR YEAR IN REVIEW - KEY PROGRESS OF OUR SUSTAINABILITY STRATEGY

	PILLAR/ STRATEGIC PRIORITY	OUR 2022 KEY PROGRESS
<b>FINANCIAL PILLAR</b> To achieve growth in predictable and recurring sources of cashflow	<b>SUSTAINABLE ASSETS AND SERVICES</b>	<ul style="list-style-type: none"> <li>A total of 11 dual-fuel low carbon vessels (including 3 vessels in the construction phase)</li> <li>AET signed MOU with PTT for the delivery of the ZEVs</li> <li>MISC 2050 exploratory activities – Taskforce on CCS</li> <li>MISC secured a syndicated USD527 million 11-year Sustainability Linked Loan (SLL) to finance the delivery of its six VLECs purchased in July 2020</li> </ul>
	<b>SUSTAINABILITY RISKS AND OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>Our second TCFD report includes all business units and subsidiaries</li> <li>Climate-risks incorporated into Strategic Planning and Enterprise Risk Management</li> <li>Internal Carbon Pricing (Shadow Price) at USD50/tonne CO<sub>2</sub>e to be used as sensitivity analysis in new investments beginning 1 Jan 2023</li> </ul>
<b>ENVIRONMENT PILLAR</b> To care for the environment and operate responsibly	<b>TOWARDS DECARBONISATION</b> To transition to a low carbon operations	<ul style="list-style-type: none"> <li>Developed Material Scope 3 inventory</li> <li>The Castor Initiative – MOU signed with Llyod's Register and Samsung Heavy Industries to build 2 VLCC ZEVs by 2025 and 2026</li> </ul>
	<b>PROMOTING CIRCULAR ECONOMY</b> Eliminating waste and the continual use of renewable resources	<ul style="list-style-type: none"> <li>Conducted Ship Recycling Yard Assurance Programme</li> <li>Developed Group-wide Ship Recycling Guidelines</li> </ul>
	<b>BIODIVERSITY CONSERVATION</b> To conserve and rehabilitate marine biodiversity	<ul style="list-style-type: none"> <li>Developed MISC Group Heart of the Ocean (HOTO) Guidelines</li> <li>Launched Employee Participation Programme for reef surveys &amp; capacity building at Mersing Island and UMT-MMS Sea Turtle Conservation Programme</li> </ul>
<b>SOCIAL PILLAR</b> To promote health and safety, individual and team excellence as well as positive impact on communities	<b>HEALTH AND SAFETY</b> To provide a safe and healthy environment	<ul style="list-style-type: none"> <li>Implemented Advanced Safety Communication (ASC)</li> <li>Enhanced Process Safety Management (PSM) programme</li> <li>Continued with the Generative Culture - safety &amp; loss prevention related programme</li> <li>MSOSH Award Recipient 2022 for Grand, Gold Class 1 &amp; 2 and merit awards</li> </ul>
	<b>TALENT EXCELLENCE</b> To futureproof talent and leadership agenda by accelerating talent potential in a high performing organisation	<ul style="list-style-type: none"> <li>Expanded the Diversity and Inclusion Programmes</li> <li>Launched Career Management to promote employee self-driven career pathing</li> <li>Enhanced Leadership Pathway &amp; Functional Curriculum to fulfil current and future development needs</li> <li>FlexWork (optimise work life integration and maximise work efficiency)</li> <li>FlexCareer (introducing contingent workforce)</li> </ul>
	<b>COMMUNITY INVESTMENT</b> To foster youth development towards becoming future leaders through education	<ul style="list-style-type: none"> <li>Contributed RM24.2 million for ALAM Cadet sponsorship</li> </ul> <p> Read more on our List of Strategic Community Investment in our Sustainability Report 2022.</p>

	PILLAR/ STRATEGIC PRIORITY	OUR 2022 KEY PROGRESS
<b>GOVERNANCE PILLAR</b> To foster strong governance and business ethics culture	<b>VALUES, ASSURANCE AND BUSINESS ETHICS</b> <ul style="list-style-type: none"> <li>To continuously embed a culture of strong corporate governance and business ethics and conduct within the organisation</li> <li>Enhanced cybersecurity framework to safeguard our operations</li> </ul>	<ul style="list-style-type: none"> <li>Commenced self-assessment through Operational Legal Areas (OLA) Functional Checklists</li> <li>Compliance and Ethics Survey 2022 Management Scorecard FY2022 implemented</li> <li>ISO 37001:2016 Anti-Bribery Management System Recertification</li> <li>Annual Review of MISC Group Bribery and Corruption Risk Assessment 2022</li> <li>Completed Human Rights Risk Assessments for Offshore Business, ALAM and Group Security</li> </ul>
	<b>RESPONSIBLE SUPPLY CHAIN</b> To drive sustainable practices with suppliers	<ul style="list-style-type: none"> <li>Completed 11% ESG assessment on critical suppliers</li> <li>Conducted Annual ESG engagements with critical suppliers</li> </ul>
<b>STAKEHOLDER ENGAGEMENT PILLAR</b> To create value through trusted stakeholder relationships	<b>REPORTING AND DISCLOSURES</b> To transparently promote and communicate sustainability agenda through disclosures	<ul style="list-style-type: none"> <li>MISC Group conferred Strongest Commitment to Sustainable Energy Transportation award by Alphas Southeast Asia, based on publicly available information and disclosures</li> <li>MISC has been honoured the Silver Awards at The Edge ESG Awards, under the Transportation category</li> <li>MISC remains as a listed constituent in the Dow Jones Sustainability Index (Emerging Market) for two consecutive years and FTSE4Good Index for 9 consecutive years</li> <li>MISC Berhad has been included in the S&amp;P Global Sustainability Yearbook 2023 as the Sustainability Yearbook Member for the first time</li> </ul>
	<b>ENGAGEMENT</b> To collaborate with strategic partners and regularly seek feedback on sustainability agenda	<ul style="list-style-type: none"> <li>Completed 197 engagements with customers, investors and financial institutions on our sustainability agenda</li> </ul>

# FINANCIAL REVIEW

Group Financial Review	96
Financial Calendar	101
Five-Year Group Financial Performance	102
Statement of Value Added and Value Distributed	104

# GROUP FINANCIAL REVIEW



**RAJA AZLAN SHAH RAJA AZWA**  
Vice President,  
Finance

**Despite these challenges, the Group recorded higher revenue by 29.9% as compared to previous year driven by a confluence of factors. These included increased freight rates in the Petroleum & Product Shipping segment as well as higher recognition of revenue from the conversion of an FPSO in the Offshore Business segment following improved project progress during the year.**

## VICE PRESIDENT'S REMARKS

In 2022, as the pandemic shifted to the endemic phase, many of the restrictions such as lockdowns and border closures that had previously impeded MISC's growth eased off. However, supply chain disruptions remained a notable challenge, owing to China's zero-COVID policy and the onset of the Russia-Ukraine war.

Despite these challenges, the Group recorded higher revenue by 29.9% as compared to previous year driven by a confluence of factors. These included increased freight rates in the Petroleum & Product Shipping segment as well as higher recognition of revenue from the conversion of an FPSO in the Offshore Business segment following improved project progress during the year. As well as that, the Marine & Heavy Engineering segment recorded healthy revenue from higher progress for an on-going project and higher dry-docking activities. Adding to this, Gas Assets & Solutions' revenue increased following higher earning days during the year.

Consequently, MISC's profit before tax (PBT) increased to RM1,874.3 million in 2022, compared to RM1,774.6 million in the previous year, which was higher by 5.6% or RM99.7 million as compared to the previous year's profit. The Group's operating profit rose by 59.2%, from RM1,948.3 million in 2021 to RM3,102.0 million in 2022, on the back of higher revenue posted by the Petroleum & Product Shipping and GAS segments. The Marine & Heavy Engineering segment turned profitable during the year in tandem with higher revenue coupled with recovery of COVID-19 claims and reversal of cost provisions for both on-going and post sail-away projects.

The Group maintained its robust financial position recording cash flows generated from operating activities of RM3,042.1 million in 2022, which was higher by 4.6% or RM133.5 million compared to RM2,908.6 million in the previous year, despite the higher payments for cost relating to the conversion of an FPSO amounting to RM2,679.9 million in the current year compared to payments of RM1,126.1 million in the previous year. Excluding the payments for the above FPSO conversion, the Group generated an operating cashflow of RM5,722.0 million, which was higher by 41.8% or RM1,687.3 million compared to RM4,034.7 million in the previous year, mainly contributed by the higher collections received from customers in the current year. MISC Group's cash balance remains healthy at RM7,134.0 million,

which together with the Group's existing funding facilities should enable the Group to fund our committed capital expenditure and pursue growth prospects.

The Group's robust balance sheet has been augmented by an increase in total assets by 8.9%. Despite an increase in our borrowings, our net gearing ratio of 0.28 remains as one of the lowest in the industry. The strength of our balance sheet is demonstrated by MISC retaining its stellar credit ratings as one of the highest rated shipping companies globally. During the year, S&P Global Ratings and Moody's Investor Service reaffirmed their ratings for MISC at BBB+ and Baa2 respectively. Our credit ratings are supported by stable earnings backed by long term contracts.

Our strong financial standing and market creditability has enabled us to successfully secure Sustainability Linked Loans (SSL) for the financing of six Very Large Ethane Carriers on 9 December 2022. The 11-year sustainability-linked non-recourse term loans marks MISC's debut into the SSL space, which has been structured to align with the Group's long-term business strategy and sustainability aspirations. Joined by seven lenders, the SLL structure includes two Key Performance Indicators (KPIs) relating to GHG emission and governance targets. MISC will continue to explore SLL solutions to support the achievement of its sustainability ambitions.

Subsequent to the establishment of the USD3.0 billion GMTN Programme in March 2022, MISC had successfully priced its USD1.0 billion GMTN issuance on 30 March 2022. The issuance, which was the first since 2004, has been completed despite a very tight issuance window, due to the onset of the Russia-Ukraine conflict. The successful transaction was competitively priced with a final investor orderbook that had been oversubscribed by 3.2 times.

Based on our robust performance for the year, the Board of Directors (Board) declared dividends of 33 sen per share representing a dividend payout of more than 80% of profit after tax for 2022, reflecting our commitment to provide investors and shareholders with consistent dividend payments. Our demonstrated ability to continuously provide shareholders with rewarding returns was recognised at the Edge Billion Ringgit Club Corporate Awards 2022, where we received the "Highest Returns to Shareholders Over Three Years" Award in the transportation and logistics sector, for the second time.

Our sustainability-centred approach to our business is demonstrated through the Group's efforts to be fully compliant with the TCFD by 2023. In line with this, in 2022 we have stepped up on our commitments in this space by comprehensively including all business entities under the MISC Group within our TCFD Report. Having an in-depth understanding of our climate risks and opportunities, we have developed climate strategies to mitigate our financial and environmental related risks.

One of our key strategies is our commitment to deploy zero-carbon emission vessels by 2030 and to achieve net-zero GHG emissions by 2050. Towards this end, we are taking the necessary measures both technically and operationally to improve our fleet's energy efficiency. In determining our new investments, we will need to consider vessels that utilise high efficiency dual-fuel engines with methane reduction technologies and possess the ability for conversion to zero carbon fuels.

From a financial standpoint, MISC is committed to focus on green assets and solutions to ensure long-term sustainable investments in line with our two-pronged climate strategy to decarbonise existing operations and explore new income streams to realise our MISC 2050 vision.

As of 1 January 2023, MISC has started calculating the cost of carbon emissions as part of our new asset investments' sensitivity assessment exercise. Given the shift in stakeholders' preferences for low-carbon and environmentally friendly solutions, our internal carbon pricing mechanism will allow us to strategise and quantify carbon risks in order for us to make more informed decisions for future investments.

Overall, MISC has achieved commendable results for 2022 contributed by the dedication, resilience and focused execution of our people. 2023 will be another challenging year with the global economy experiencing continued volatility, while trying to get inflation under control.

 Refer to the Financial Report for our Financial Statements for FY2022.

## GROUP FINANCIAL REVIEW

### REVENUE

For the financial year ended 31 December 2022 (FY2022), Group revenue of RM13,867.0 million, was 29.9% higher than the financial year ended 31 December 2021 (FY2021) revenue of RM10,671.7 million, contributed by increased freight rates in the Petroleum & Product Shipping segment, higher recognition of revenue from the conversion of an FPSO in the Offshore Business segment following improved project progress, as well as higher earning days in the Gas Assets & Solutions segment. In addition, the Marine & Heavy Engineering segment also contributed to the increase in revenue from higher progress for an on-going project and greater dry-docking activities.

- Group revenue of RM13,867.0 million
- 29.9% higher than FY2021

### OPERATING PROFIT AND PROFIT BEFORE TAX

Group operating profit of RM3,102.0 million was 59.2% higher than FY2021 operating profit of RM1,948.3 million, mainly due to higher revenue posted by the Petroleum & Product Shipping and Gas Assets & Solutions segments. In addition, the Marine & Heavy Engineering segment turned profitable during the year in tandem with higher revenue, coupled with recovery of COVID-19 claims and reversal of cost provisions for both on-going and post sail-away projects.

Consequently, the Group's profit before tax increased to RM1,874.3 million in FY2022, which was higher by 5.6% or RM99.7 million as compared to the previous year's profit of RM1,774.6 million, despite recording higher impairment provisions, higher finance costs as well as share of loss from joint ventures in FY2022.

- Group operating profit of RM3,102.0 million
- 59.2% higher than FY2021
- Group's profit before tax increased to RM1,874.3 million
- 5.6% higher than FY2021

### EARNINGS PER SHARE (SEN)

Profit attributable to the equity holders of the Corporation amounting to RM1,822.9 million translates to earnings per share of 40.8 sen in FY2022, which is comparable to earnings per share of 41.0 sen in FY2021.



Earnings per share of 40.8 sen

### DIVIDENDS

In respect of FY2022, the Board had approved and declared on quarterly basis a total tax exempt dividend of 33.0 sen per share or RM1,473.0 million, which was consistent to the total dividend declared and paid in respect of FY2021. The dividends were declared in line with the Group's commitment to provide investors and shareholders with consistent dividend payments.

A total tax exempt dividend of 33.0 sen per share

### TOTAL ASSETS

Group total assets as at 31 December 2022 of RM62,664.2 million was 8.9% higher than the Group total assets as at 31 December 2021 of RM57,521.5 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 capital expenditure (CAPEX) incurred for ships during the year.

- Group total assets of RM62,664.2 million
- 8.9% higher than FY2021

### EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE CORPORATION

Despite paying a total dividend of RM1,473.0 million in FY2022, the equity attributable to equity holders of the Corporation as at 31 December 2022 of RM37,458.7 million was 9.6% higher than the equity attributable to equity holders of the Corporation as at 31 December 2021 of RM34,162.7 million, mainly due to net profit recognised for FY2022, favourable movement in hedging reserve and gain on currency translation as Malaysia Ringgit (RM) weakened against the United States Dollar (USD) during the year.



- Equity attributable to equity holders of the Corporation of RM37,458.7
- 9.6% higher than FY2021

### TOTAL LIABILITIES

Group total liabilities as at 31 December 2022 of RM24,360.2 million was 7.8% higher than higher than the Group total liabilities as at 31 December 2021 of RM22,596.5 million, mainly due to accruals relating to the conversion of an FPSO from higher project progress in the current year.

- Group total liabilities of RM24,360.2 million
- 7.8% higher than FY2021

### GEARING RATIO

The Group's gross debt-to-equity ratio as at 31 December 2022 of 0.47 was lower compared to the Group's gross debt-to-equity ratio as at 31 December 2021 of 0.49, despite an increase in interest-bearing loans and borrowings during the year, mainly due to the increase in total equity as explained above. Meanwhile, the Group's net debt-to-equity ratio of 0.28 as at 31 December 2022 remains as one of the lowest in the industry, although it is slightly higher compared to net debt-to-equity ratio of 0.26 as at 31 December 2021.

The Group's gross debt-to-equity ratio stood at 0.47

The Group's approved and contracted committed capital expenditure stood at RM4,403.8 million

### CASH FLOW

The Group recorded cash flows generated from operating activities of RM3,042.1 million which was higher by 4.6% compared to cash flows generated from operating activities of RM2,908.6 million in the previous year, despite the higher payments for cost relating to the conversion of an FPSO amounting to RM2,679.9 million in FY2022 compared to payments of RM1,126.1 million in FY2021. Excluding the payments for the above FPSO conversion, the Group generated an operating cash flow of RM5,722.0 million for FY2022, which was higher by 41.8% compared to operating cash flow of RM4,034.7 million in FY2021, mainly contributed by the higher collection received from customers in the current year. As a result, the Group's cash balance remains healthy at RM7,134.0 million.

- Cash flows generated from operating activities of RM3,042.1 million
- 4.6% higher than FY2021

### CAPITAL EXPENDITURE REQUIREMENTS

The Group's approved and contracted committed capital expenditure as at the end of FY2022 stood at RM4,403.8 million. This excluded the amount committed for the conversion of an FPSO amounting to RM2,282.4 million as at 31 December 2022 as explained in Note 33 of the Financial Statements. Based on our strong cash position as at the end of FY2022 and existing funding facilities, the Group should be able to fund the committed capital expenditure and pursue growth prospects.

## GROUP FINANCIAL REVIEW

### SEGMENTAL PERFORMANCE – FY2022

#### GAS ASSETS & SOLUTIONS

Gas Assets & Solutions segment's revenue of RM3,113.4 million was RM230.6 million or 8.0% higher than the previous year revenue of RM2,882.8 million, following higher earning days mainly from lower dry-docking activities in 2022.

The segment's operating profit of RM1,536.6 million was RM285.8 million or 22.8% higher than the previous year's profit of RM1,250.8 million, mainly from higher revenue as explained above.



#### PETROLEUM & PRODUCT SHIPPING

The Petroleum & Product Shipping segment's revenue of RM4,667.3 million was RM1,466.9 million or 45.8% higher than the previous year's revenue of RM3,200.4 million mainly from higher freight rates in 2022.

The segment's operating profit of RM1,021.0 million was RM740.4 million or 263.9% higher than the previous year's profit of RM280.6 million, mainly from higher revenue as explained above.



#### OFFSHORE BUSINESS

The Offshore Business segment's revenue of RM4,322.4 million was RM1,283.5 million or 42.2% higher than the previous year's revenue of RM3,038.9 million, mainly from higher recognition of revenue from the conversion of an FPSO following improved project progress during the year.

The segment's operating profit of RM665.8 million was RM139.5 million or 17.3% lower than the previous year's profit of RM805.3 million, mainly due to increase in construction costs of an FPSO arising from the global supply chain issue and lockdowns in parts of China which affected the movement of project personnel, goods and services as well as from engineering, procurement and construction activities.



#### MARINE & HEAVY ENGINEERING

The Marine & Heavy Engineering segment's revenue of RM1,651.6 million was RM184.3 million or 12.6% higher than the previous year's revenue of RM1,467.3 million, mainly from higher progress for an on-going project and higher dry-docking activities in 2022.

The segment's operating profit of RM60.8 million was RM313.0 million higher than the previous year's loss of RM252.2 million in tandem with higher revenue, coupled with recovery of COVID-19 claims and reversal of cost provisions for both on-going and post sail-away projects.



# FINANCIAL CALENDAR



### FINANCIAL PERIOD

1 January 2022  
to 31 December 2022

### ANNOUNCEMENTS OF FINANCIAL RESULTS

**1st Quarter Financial Results**  
26 May 2022

**2nd Quarter Financial Results**  
18 August 2022

**3rd Quarter Financial Results**  
17 November 2022

**4th Quarter Financial Results**  
15 February 2023

### ANNOUNCEMENT OF TAX EXEMPT DIVIDENDS

Announced	Dividend	Paid
26 May 2022	<b>1st</b>	22 June 2022
18 August 2022	<b>2nd</b>	14 September 2022
17 November 2022	<b>3rd</b>	14 December 2022
15 February 2023	<b>4th</b>	15 March 2023

# FIVE-YEAR GROUP FINANCIAL PERFORMANCE

## Five-Year Group Financial Statistics

	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	Audited 1.1.2018 to 31.12.2018 RM Million
Revenue	13,867.0	10,671.7	9,401.2	8,962.7	8,780.3
Operating profit	3,102.0	1,948.3	2,017.2	1,929.3	1,466.4
Profit/(loss) before taxation	1,874.3	1,774.6	(123.6)	1,512.3	1,344.1
Profit/(loss) after taxation	1,835.0	1,733.5	(169.8)	1,436.3	1,284.3
Profit/(loss) for the year attributable to equity holders of the Corporation	1,822.9	1,831.3	(43.1)	1,426.4	1,311.5
Dividends paid during the year	1,473.0	1,473.0	1,473.0	1,339.1	1,339.1
Earnings/(loss) per share (sen) <sup>(1)</sup>	40.8	41.0	(1.0)	32.0	29.4
Total assets	62,664.2	57,521.5	51,821.0	51,863.8	52,065.3
Total liabilities	24,360.2	22,596.5	18,669.9	16,110.1	15,701.2
Equity attributable to equity holders of the Corporation	37,458.7	34,162.7	32,272.8	34,727.2	35,351.1
Interest-bearing loans and borrowings	17,861.5	17,029.0	13,440.4	13,152.2	13,049.9
Net tangible assets per share (sen)	835.7	758.6	724.3	782.1	795.4
Gross debt/equity ratio (times)	0.47	0.49	0.41	0.37	0.36
Net debt/equity ratio (times)	0.28	0.26	0.20	0.17	0.20
Interest cover ratio (times) <sup>(2)</sup>	4.01	5.42	5.79	3.77	4.07
Cash flows from operating activities <sup>(3)</sup>	3,042.1	2,908.6	5,587.9	5,579.1	4,099.2

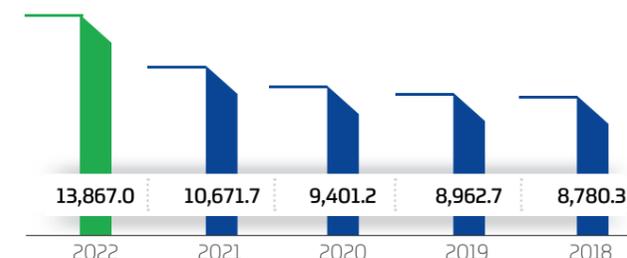
### Notes:

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

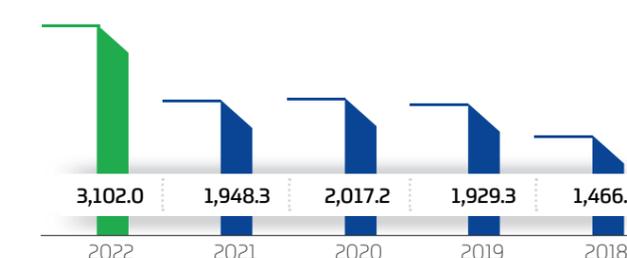
<sup>(2)</sup> Interest cover ratio is computed as Earnings Before Interest and Taxes (EBIT) divided by total interest expense. EBIT for FY2020 excluded provision for litigation claims and loss on re-measurement of finance lease.

<sup>(3)</sup> The cash flows from operating activities for FY2022 and FY2021 included payments for costs relating to the conversion of a FPSO facility amounting to RM2,679.9 million (FY2021: RM1,126.1 million). These payments are disclosed as part of cash flows from operating activities as the turnkey activities contribute to the recognition of contract assets per MFRS 15: Revenue from Contract with Customers. The cash flow from operating activities for FY2019 onwards reflect the reclassification arising from the adoption of MFRS 16: Leases.

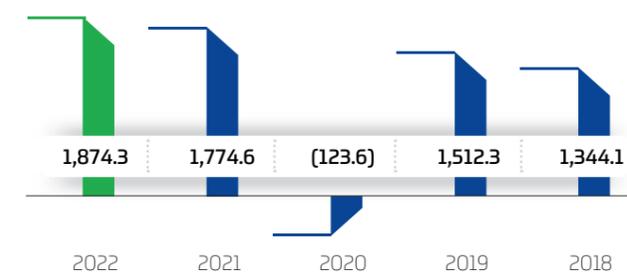
## Revenue (RM million)



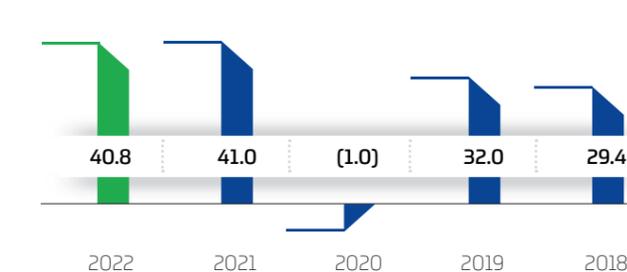
## Operating profit (RM million)



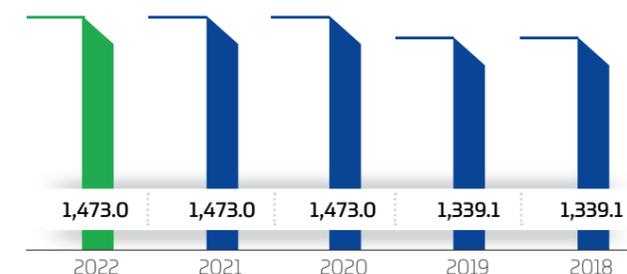
## Profit/(loss) before taxation (RM million)



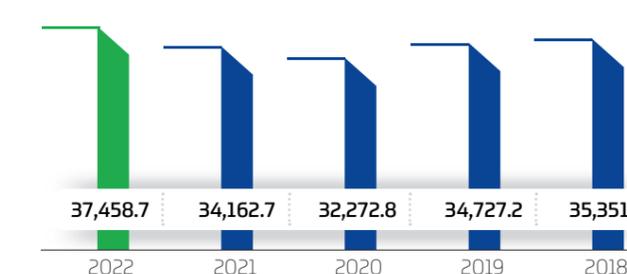
## Earnings/(loss) per share (sen)



## Dividends paid (RM million)

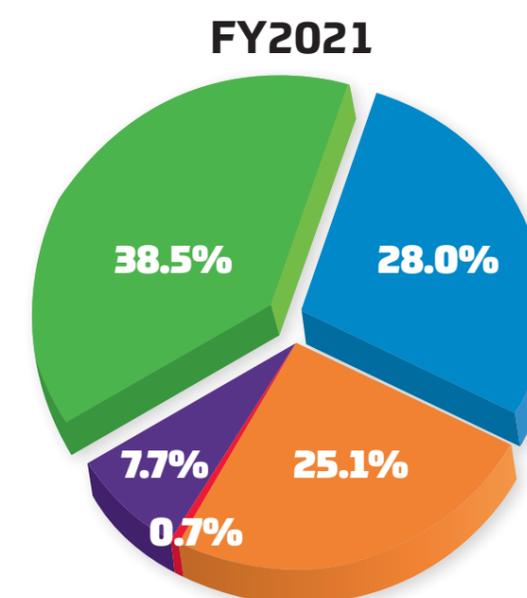
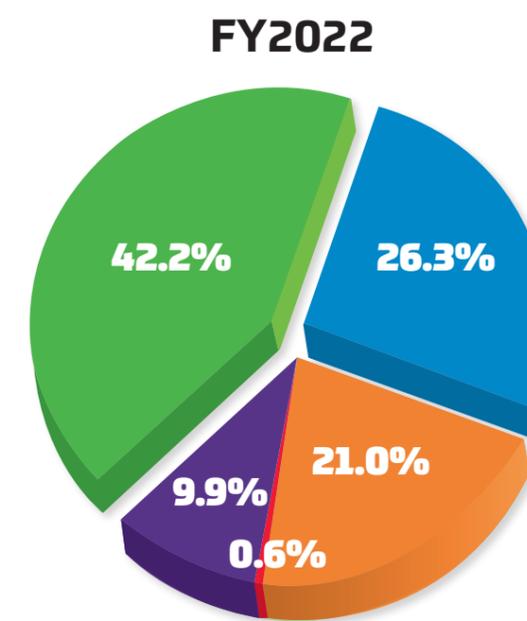


## Equity attributable to equity holders of the Corporation (RM million)



# STATEMENT OF VALUE ADDED AND VALUE DISTRIBUTED

	FY2022 RM'000	FY2021 RM'000
<b>Statement of Value Added</b>		
Revenue	13,866,972	10,671,707
Purchase of goods and services	(7,438,942)	(5,485,417)
<b>Value Added From Operations</b>	<b>6,428,030</b>	<b>5,186,290</b>
Other income	441,732	369,415
Finance income	157,221	48,250
Gain on disposal of ships	15,355	31,570
Loss from deconsolidation of a subsidiary	–	(2,241)
Gain on disposal of interest in joint ventures	–	25,126
Share of profit of joint venture	(28,081)	297,432
Share of profit of associates	3,030	3,666
<b>Total Value Added</b>	<b>7,017,287</b>	<b>5,959,508</b>
<b>Distribution of Value Added</b>		
Employee:		
Employment costs	1,847,961	1,668,512
Shareholders:		
Dividends paid to shareholders of the Corporation	1,473,035	1,473,035
Dividends paid to non-controlling interests	–	24,500
Government(s):		
Taxation	40,854	39,268
Providers of debt capital:		
Finance costs	694,344	459,781
Retained for reinvestment and future growth:		
Depreciation, amortisation and impairment	2,643,804	2,099,031
Deferred tax	(1,559)	1,807
Retained profit	318,848	193,574
<b>Total Value Distributed</b>	<b>7,017,287</b>	<b>5,959,508</b>



# BUSINESS REVIEW

Gas Assets & Solutions	108
Petroleum & Product Shipping	112
Offshore Business	118
Marine & Heavy Engineering	124
Integrated Marine Services	130
Port Management & Maritime Services	134
Maritime Education & Training	138
People Development	144
Operating Safely & Sustainably	146
Operating Responsibly	148

# GAS ASSETS & SOLUTIONS



HAZRIN HASAN  
Vice President,  
Gas Assets & Solutions

Our strategy remains clear as we continue to strengthen our core and remain competitive by accelerating into unconventional gas carriers and commercialising future options to generate cash for the group sustainably. Our focus will be on top clientele projects via joint ventures and partnerships to increase our chances of winning and minimise our risk exposure.



## KEY HIGHLIGHTS

Revenue



**RM3,113**  
MILLION

Operating Profit



**RM1,537**  
MILLION

Owns and/or Operate

**30**  
LNGCs

**6**  
VLECs



**2**  
FSUs

**1**  
LBV

Vessel Utilisation



**>99%**

# GAS ASSETS & SOLUTIONS

## KEY DEVELOPMENTS

### SECURED NEW PROJECTS TO STRENGTHEN OUR LONG-TERM RECURRING REVENUE STREAM

MISC, through its wholly-owned subsidiary, Portovenere and Lerici (Labuan) Pte Ltd (PLL), along with its consortium partners, Nippon Yusen Kabushiki Kaisha (NYK), Kawasaki Kisen Kaisha, Ltd. (K-Line) and China LNG Shipping (Holdings) Limited (CLNG), were awarded a total of 12 newbuilding LNG carrier awards by QatarEnergy which is one of the world's largest LNG producers. The first seven long-term time charter contracts were secured in August 2022, while another five contracts were secured in November 2022. All 12 newbuilding vessels are expected to be delivered in 2025.

This key success was the result of GAS Business ramping up our business development efforts in exploring opportunities with new clients and new regions. The multinational collaboration we entered via the consortium combines decades of experience, knowledge and expertise in the transportation of LNG. MISC has been steadfastly building up our collaborative partnerships as part of our business strategy to gain access to new markets and channels and pool our resources and industry know-how to fulfil the growing demand for energy transition and decarbonisation, and to ensure sustainable value creation for our customers.



**Total of 12 newbuild LNG carrier awards with QatarEnergy**

**Including vessels with X-DF 2.1 Engines and iCER & Air Lubrication Systems to reduce GHG emissions**



### LEVERAGED ESTABLISHED RELATIONSHIPS WITH CURRENT CLIENTELE TO SECURE NEW CONTRACT OPPORTUNITIES

During the year, we leveraged on our existing strong relationship with our current customer, SRM, to secure 10-year long-term charter contracts for two LNG carriers. In total, this adds up to four LNG carrier contracts with SRM, including two newbuilds that were constructed in South Korea where one was recently delivered in January 2023, and the other carrier scheduled for delivery by end March 2023.

We are truly honored with SRM's continuous trust and recognition of MISC's capabilities and expertise. These new long-term time charter contracts are testament of our customers' continuous trust and recognition of our capabilities and expertise and will further reinforce MISC's leading position as a significant global player in the LNG shipping sector.



- 2 newbuild LNG carrier awards from SRM, bringing it to a total of 4 LNGCs
- Newbuild vessels to be equipped with eco-efficient technologies to reduce GHG emissions

### NEWBUILD VESSELS TO BE EQUIPPED WITH ECO-EFFICIENT TECHNOLOGIES TO REDUCE GHG EMISSIONS

Our latest accomplishment includes equipping our upcoming LNG carriers with cutting-edge eco-efficient technologies such as X-DF 2.1 engines featuring the Intelligent Control by Exhaust Recycling (iCER) System and the Air Lubrication System, which greatly reduce GHG emissions. These newbuilds are testament to our unwavering commitment towards supporting the maritime industry's decarbonization goals by adopting innovative and responsible practices in our operations. Our implementation of these state-of-the-art technologies reflects our strength in promoting a greener and more sustainable shipping industry.

### PROGRESSED WITH EXPLORING MINIMUM MANNING FSU OPERATION SOLUTIONS

Having completed the first phase of our concept feasibility study for minimum manning FSU with remote operation capability, in 2022 we progressed in this space by obtaining an Approval in Principle (AIP) from Lloyd's Register on 16 March 2022 for the Operation of FSUs as Normally Unmanned Installations (NUI). Our efforts reflect GAS Business' aspiration to embrace new technologies to enhance our competitiveness and sustainability.



**Obtained AIP from Lloyd's Register for the Operation of the FSUs as NUI**

## MOVING FORWARD

As we move into 2023, LNG demand is expected to remain strong on the back of the continuation of the Russia-Ukraine war and increasing use of sustainable energy in Asia. Consequently, LNG spot trades are expected to reduce with buyers more likely to lock-in long-term contracts with suppliers to secure their supply over a longer period of time. This in turn could lead to low market liquidity for spot LNG shipping fleets. With less market players seeking to charter LNG vessels on a short-term basis, this will present GAS Business with opportunities to secure long-term charter contracts.

On the demand side, an influx of requirements for LNG carriers was observed in 2022 whereby 150 new orders were placed. This caused an increase in vessel costs due to the limited availability of shipbuilding capacity coupled by rising cost of raw materials. As such, GAS Business will employ an extremely selective approach in pursuing opportunities on LNG newbuilds for the near term future.

With the industry is heading to more sustainable practices, various pressures from financiers and regulators can be observed.

Traditional financiers are more favourable towards green energy related products and as such GAS Business will work closely to meet these objectives by diversifying our asset portfolio to meet market demands.

Policy and regulatory challenges are also dominating the landscape via the implementation of IMO's EEXI and CII policies. Stricter compliance on vessels emissions will not only impact our operations but will also exert pressure on existing vessels that do not meet the required ratings. GAS Business will ensure that our fleet will comply with regulatory standards for uninterrupted operations.

Moving forward, our long-term plan is to invest in modern, efficient LNG carriers and decarbonising our operations by applying the latest technology that will improve on fleet efficiency. Our goal is to differentiate ourselves in a competitive market to ensure long-term sustainable growth for our business.

# PETROLEUM & PRODUCT SHIPPING



CAPTAIN RAJALINGAM SUBRAMANIAM  
AET President & Chief Executive Officer

Our principles of investment are built on doing the right thing rather than what is easy and convenient. AET will continue to make leaps in leading the sustainability agenda when it is viable and makes commercial sense.



## KEY HIGHLIGHTS

Revenue



**RM4,667**  
MILLION

Operating Profit



**RM1,021**  
MILLION

Vessel Availability



**>99%**

Vessel Utilisation



**>99%**

# PETROLEUM & PRODUCT SHIPPING

## KEY DEVELOPMENTS

### CONTRIBUTING TO THE DEVELOPMENT OF A SUSTAINABLE AND DECARBONISED GLOBAL MARITIME SECTOR

AET continues to be a leader in driving initiatives to make global shipping more sustainable. As one of the first movers in ordering low emissions LNG dual-fuel vessels, we have grown our fleet to eight such vessels currently in operation, with three more to be delivered in 2023. In addition to LNG dual-fuel capability, we have also been investing in other features to increase efficiency and reduce emissions such as advanced hull designs, propeller ducts and boss cap fins, and energy efficient electric pumps.

With regards to new vessels we are adding to our portfolio, AET's strategy is to explore and invest in modern, environmentally friendly tonnage and operations which has ensured that our vessels meet the International Maritime Organization's (IMO) Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) regulations which came into force on 1 January 2023.

In relation to our existing fleet, we are retiring assets that are carbon intensive as well as working with our ship managers to ensure that our fleet is compliant through strategies such as slow steaming, derating engines and retro-fitting our assets with Energy Saving Technologies (ESTs). AET's fleet rejuvenation strategy has resulted in us adding more eco-efficient dual-fuel vessels to our fleet.

Our efforts to grow our eco-efficient fleet demonstrate our commitment to meeting the IMO's 2030 Greenhouse Gas (GHG) intensity reduction ambition and our commitment across the MISC Group to net-zero GHG emissions by 2050.



#### Dual-fuel vessels in our fleet:

- 4 Aframaxs
- 2 DPSTs
- 5 VLCCs including 3 newbuilds to be delivered in 2023

### ADVANCED ON OUR COMMITMENT TO DEVELOP ZEVs

AET signed a MOU with Lloyd's Register and Samsung Heavy Industries (SHI) in April 2022 for the development and construction of the first two zero-emission VLCCs. Founding members of the Castor Initiative, MISC, Lloyd's Register and SHI are taking the active lead to demonstrate both the commercial feasibility of ammonia as a clean fuel for the shipping industry and the need for more such collaboration within and across industries.

In September 2022, PTT and AET signed a MOU for the development and construction of two zero-emission Aframaxs to be powered by green ammonia. Jointly PTT and AET are taking the lead to encourage the use of green ammonia as a main propulsion fuel. AET will select a suitable shipyard and the two zero-emission dual-fuel tankers are planned to be delivered to PTT for long-term charters in Q4 2025 and Q1 2026 respectively. This MOU sets a clear signal of PTT's and AET's commitment to reduce GHG emissions from international shipping as energy efficiency improvements alone will not be sufficient.



#### Exploring opportunities to develop ZEVs in 2022:

- 2 zero-emission VLCCs with Lloyd's Register and SHI
- 2 zero-emission Aframaxs with PTT

### TOOK DELIVERY OF HIGHLY SPECIALISED ECO-EFFICIENT DPSTs

In 2022, AET took delivery of six newbuild Dynamic Positioning Shuttle Tankers (DPSTs) which has further grown our DPST operations in Latin America. The six eco-efficient DPSTs are all on long-term charter contracts in Brazil - three with Shell and another three with Petrobras.

These newbuild DPSTs are fully compliant with IMO NOx Tier 3 and SOx emission requirements. In addition, they are equipped with electrical-driven Variable Frequency Drive (VFD) cargo pumps and efficient thrusters for enhanced fuel efficiency and are fully capable of operating in weather conditions expected for their class.

Three sister vessels - *Eagle Campos*, *Eagle Canoas*, and *Eagle Colombo* - are also fitted with energy-saving devices such as the Hi Pre-Swirl Duct and Rudder Bulb for improved propulsion efficiency and are already EEDI Phase 2 compliant.

Three sister vessels - *Eagle Cambe*, *Eagle Crato*, and *Eagle Colatina* - are fitted with energy-saving devices such as Saver Fins and Savor Stator for improved propulsion efficiency and are approximately 6% more efficient than the EEDI Phase 2 requirements.

At the end of 2022, AET is an established DPST owner with a fleet of 17 shuttle tankers with four of these vessels operating in the Barents and North Seas and 13 in the Brazilian Basin.

All vessels are chartered on long-term contracts which have significantly contributed to AET's earnings for the year.



Took delivery of 6 DPSTs for Shell and Petrobras, expanding our Latin American footprint

### TOOK DELIVERY OF NEWBUILD DUAL-FUEL VLCCs

In 2022, AET also took delivery of two LNG dual-fuel VLCCs, which are amongst the world's first built for long-term charter to TotalEnergies based on the agreement signed in April 2020. Both vessels represent a game changer in conventional energy shipping with a carbon footprint reduction that is contributing to AET's aspiration to meet or exceed IMO's 2030 Greenhouse Gas goals. The carbon reduction is achieved through a combination of LNG dual-fuel technology, energy saving devices and innovative features. These assets reinforce our financial and ESG focus of continual improvements of our greenhouse gas emissions and our stakeholders' carbon footprint while responsibly transporting much-needed energy commodities across the world.



Took delivery of 2 LNG dual-fuel VLCCs for TotalEnergies

### ROBUST MID-SIZE TANKER SEGMENT AS A KEY CASH GENERATOR

Our Aframax and Suezmax mid-size tanker segment which performs specialised lightering services in key regional trades is one of the main contributors to our income stream.

AET's integrated lightering (ship-to-ship) and conventional voyage operations allow us to offer a one-stop service to meet all our customers' needs. We have performed more than 15,000 ship-to-ship (STS) transfers and are a market leader in the US Gulf region. Along with a base dedicated to lightering operations in Galveston, Texas, our fleet of purpose-built lightering support vessels, and full employment of our own Mooring Masters and their Assistants ensure consistently safe and high-quality operations. Lightering operations in offshore Uruguay and the Brazilian Basin provide our Latin American customers with additional flexibility. We continue to expand our presence in Latin America, having serviced more than 570 lightering operations in offshore Uruguay and Brazil.

AET also operates the world's only two Modular Capture Vessels. These specialised Aframax sized vessels are designed to assist in hydrocarbon capture in the event of a well incident in the US Gulf of Mexico. Since 2011, these vessels have been on long-term charter to the Marine Well Containment Company (MWCC).



- More than 15,000 STS operations completed in the US Gulf
- More than 570 STS operations in offshore Brazil and Uruguay

# PETROLEUM & PRODUCT SHIPPING

## RENEWED CONTRACTS TO MAINTAIN SUSTAINABLE BUSINESS GROWTH

In 2022, AET secured five new lightering contracts and renewed 13 lightering contracts in North and South America. In the Mid-Size Tanker segment, AET secured four new time charters and renewed two time charters. Meanwhile, in the VLCC segment, AET secured three new time charters.



- Secured 5 new lightering contracts and renewed 13 lightering contracts in North and South America
- Secured 4 new time charters and renewed 2 time charters in Mid-Size Tanker segment
- Secured 3 new time charters in the VLCC segment

## MOVED INTO A LARGER OFFICE IN BRAZIL

In late 2022, with our growing presence in Latin America, AET relocated to a bigger office in Rio de Janeiro. The new location allows AET, Eaglestar and other MISC Group entities in Brazil to engage with our customers and key stakeholders from one location supporting the industry's growth in Latin America while collaborating to further accelerate maritime sustainability.

## COMMITTED TO MAKING A POSITIVE IMPACT IN COMMUNITIES

AET has remained committed to creating positive impact on communities in our markets of operation through our community investment. We continued to support communities impacted by the pandemic in partnership with charity organisations including foodbanks. As part of our COVID-19 donation campaign, we partnered with Matsentralen Rogaland in Norway, RioContraCorona in Brazil, Philippine Business for Social Progress, The Felix Project, Houston Foodbank and Galveston County Foodbank as well as Singapore Children's Society. We have funded over one million meals through these partnerships supporting impacted families in 2022. Several of our colleagues joined the handover ceremonies in 2022 with the charity organisations and learned more about their operations.

Expanding on our partnerships our colleagues also volunteered their time in support of these organisations.

- In Singapore, AET partnered with Singapore Children's Society to organise a cooking workshop to encourage some of their youth to make healthy food choices and equip them with basic cooking skills.
- In the UK, employees volunteered with The Felix Project to help prepare nutritious ready-made meals for distribution to families in needs and at the warehouse to sort and manage donated food.

## COMMITTED TO NURTURING FUTURE LEADERS AND CONTRIBUTING TO THE GROWTH OF THE MARITIME INDUSTRY

Since 2020, AET has sponsored 15 students with scholarships. In 2022, AET sponsored two more students through the AET-MaritimeOne scholarship in Singapore. For the third year running, AET is supporting students for the three-year Diploma in Maritime Business Programme at Singapore Maritime Academy – Singapore Polytechnic.

Across the Atlantic, we awarded 10 scholarships to undergraduate students in partnership with the Texas A&M Foundation at the Texas A&M University Galveston Campus. The university is home to the Texas A&M Maritime Academy – a highly specialised maritime training and education programme. By awarding these scholarships, we aim to empower students with skills to become valuable members of the global maritime sector.



- Since 2020, AET has sponsored 15 scholarships
- In 2022:
  - Sponsored 2 more students through the AET-MaritimeOne scholarship for their studies at Singapore Maritime Academy - Singapore Polytechnic
  - Sponsored 10 students with scholarships in partnership with Texas A&M Foundation at the Texas A&M University, Galveston

## AWARDS AND RECOGNITION

AET continues to garner various international industry and sustainability awards, testament of our operational excellence and contributions towards maritime decarbonisation. Among the industry awards obtained in 2022 were the Tanker of the Year Award at the Tanker Shipping & Trade (TS&T) Conference, Awards & Exhibition 2022 held in Athens, Greece for our first LNG dual-fuel VLCC *Eagle Valence*. The 2022-built vessel is on long-term charter to TotalEnergies. The award was open to tankers delivered since November 2021 and engage in bulk liquid transport that sets new benchmarks in one, more, or all the following areas - design, environmental, operational, safety, and technical performance. *Eagle Valence* has been recognised for setting a new bar for vessels of its kind – it can run on LNG, powered by a WIN GD 7x82 dual-fuel engine. The vessel exceeds the EEDI Phase 2 reference line by more than 20% and supports AET's goals of a 40% reduction in annual efficiency ratio GHG intensity by 2030 and net-zero GHG emissions by 2050.

On top of that, *Eagle Valence* was also certified as a Green Ship as part of the MPA Green Ship Programme (GSP) at the Singapore Registry of Ships (SRS) Forum. The GSP recognises ship owners for their efforts in reducing the environmental impact of their fleet.

A total of 43 ships from AET were awarded by the CSA with Environmental Achievement Awards, reflecting industry recognition of our stringent HSSE and environmental protection measures. Our excellent health and safety standards were recognised by the CSA when it awarded AET the Jones F. Devlin Award for Safety in recognition of our outstanding health and safety records for a combined 48 ships in 2022.



- *Eagle Valence* – amongst the world's first dual-fuel VLCCs:
  - » Won Tanker of the Year Award at the TS&T Conference, Awards & Exhibition 2022
  - » Certified as a Green Ship as part of the MPA GSP at the SRS Forum
- CSA presented 43 ships from AET with Environmental Achievement Awards
- CSA awarded 48 ships from AET with the Jones F. Devlin Award for Safety

## MOVING FORWARD

Demand is projected to continue firming for the crude tanker segment, with tonne-mile trade estimated to grow by a healthy 5.3% in 2023 and 4.7% in 2024, faster than seaborne crude trade growth of 1.5% and 3.2% respectively. Trade flows are expected to continue to shift towards longer routes, owing to the rerouting of Russian cargoes and strong export growth from typically longer-haul suppliers such as the US and Brazil. Additionally, 2024 could see the return of some OPEC+ volumes, and increased imports into Asia on the back of refinery start-ups in China and India.

On the supply side, the tanker orderbook is now equivalent to a record low of 4% of fleet capacity, with fleet growth expected to be minimal in the coming years. In addition, new environmental regulations that came into force in early 2023 are likely to encourage slower vessel speeds and increased EST retrofitting further reducing tanker supply. Risks remain, with global economic growth slowing and recurring COVID-19 outbreaks in China. However, shifts to longer routes are still expected to support tanker demand growth. With a firm demand outlook, supportive supply trends and other inefficiencies impacting, tanker markets are generally expected to remain firm across 2023 and 2024.

At the same time, we expect challenges as the fundamental supply-demand balance of the tanker market is delicate, and external factors such as geopolitical uncertainties and oil markets fluctuation can create disruptions for the tanker industry. There are a range of downside risks to the demand outlook, notably potential for lack of significant improvement in China's oil demand next year if COVID-19 return due to new outbreaks, and from the slowing global economy.

The shipping industry will be required to adapt to the new regulations such as EEXI and CII aimed at lowering carbon emissions and ensuring that vessels run efficiently from both an environmental perspective going forward. However, as ever with the introduction of new regulations, owners and charterers will need to carefully consider the commercial, legal, and contractual position in advance amongst themselves to avoid potential disputes as the new regulations come into force.

Based on our analysis of sustainability imperatives, AET will maintain our focus on seeking out opportunities that will generate sustainable long-term revenue and reduce our GHG emissions. In 2023, we will take delivery of three newbuild LNG dual-fuel VLCCs, all on long-term charter contracts with Shell. Our business objectives remain fundamentally geared towards pursuing long-term sustainability by growing our secured income portfolio and participating in new low-carbon shipping opportunities either on our own or through strategic partnerships.

In the existing petroleum shipping asset classes, AET will continuously improve its energy efficiency and invest in cleaner and greener solutions to rejuvenate our Mid-Size Tanker and VLCC fleet and decarbonise operations. We will leverage on our core competencies to maintain our lightering footprint and position in the US Gulf of Mexico. In the DPST sector, we will maintain our competitive and leading position as among the global top three providers.

# OFFSHORE BUSINESS



SYED HASHIM  
SYED ABDULLAH  
Vice President,  
Offshore Business

We obtained a one-year contract extension on *FPSO Bunga Kertas* to April 2023. Similarly, the *FPSO Ruby 2* charter contract was extended by six months (with a follow-on six-month extension) from January 2022 and another one-year extension from January 2023.



## KEY HIGHLIGHTS

Revenue



**RM4,322**  
MILLION

Operating Profit



**RM666**  
MILLION

Strong HSSE Generative Culture

**0**

Fatality

**0**

LTI

**0.00**  
LTIF



**19**

MILLION

manhours recorded with Zero LTI for Major Project FPSO

Asset Uptime



**>95%**

# OFFSHORE BUSINESS

## KEY DEVELOPMENTS

### FOCUSED ON PROJECT EXECUTION

OBU continued to diligently focus on project execution for a major project we have in hand. We progressed with our major FPSO project in Brazil which we obtained in 2020, slated to enter into operation in 2024 and will be leased for 22.5 years. The construction of the Brazilian project's hull and topsides continued in China and engineering and procurement activities have largely progressed to meet project schedule, cost and quality. By end 2022, we recorded 80% completion on the construction phase, and have put in place mitigation measures to avoid any further delay in project delivery to our client.



**80% completion on construction phase of major Brazilian project**

### ENSURED BUSINESS GROWTH THROUGH CONTRACT EXTENSIONS

Leveraging on our strong industry reputation, and long-lasting relationships of mutual trust with our clients, OBU secured contract extensions with our existing clients, to ensure a sustainable pipeline of future work. In 2022, we obtained a one-year contract extension on *FPSO Bunga Kertas* to April 2023, a six-month contract extension with a follow-on six-month extension for *FPSO Ruby 2* from January 2022, and another one-year extension from January 2023. Our existing portfolio of long-term contracts will continue to support the financial performance of the business.



**Contract extensions based on early client engagements:**

- 1-year contract extension of *FPSO Bunga Kertas* from April 2022
- 6 + 6 months Charter Contract extension for *FPSO Ruby 2* from January 2022
- 1-year Charter Contract extension for *FPSO Ruby 2* from January 2023

### BEST IN BUSINESS HSSE PERFORMANCE

OBU has consistently maintained the highest levels of a strong Generative HSSE Culture, in line with prioritising health and safety as an important area of focus. During the year, we obtained multiple awards that underscored our health and safety commitment. The MSOSH awarded *FSO Puteri Dulang* its first Gold Class Occupational Safety & Health (OSH) Award, while *FSO Orkid* obtained its third Gold Class OSH Award. *FSO Orkid* was also awarded the Hibiscus Petroleum Monsoon Safety Campaign Zero Incident Award 2021/2022. As for our major Brazilian project, we recorded a total of 19 million manhours LTI free.



- Occupational Safety & Health Award "Gold Class I" by MSOSH in 2022 – *FSO Puteri Dulang*
- Occupational Safety & Health Award "Gold Class I" by MSOSH in 2022 – *FSO Orkid*
- Hibiscus Petroleum Monsoon Safety Campaign Zero Incident Award 2021/2022 – *FSO Orkid*
- Hibiscus Petroleum Logistics Operator HSE & Operational Excellence Award 2021 – *FSO Orkid*
- HSE Best Performance Field 2021 – Vestigo Petroleum Sdn. Bhd. - *MaMPU1 (Anjung Kecil)*

### STRENGTHENING INTERNAL CAPABILITIES

We continued to strengthen our internal capabilities as the cornerstone of our high-quality project delivery, as well as the foundations to further our business growth. During the year, OBU added more personnel to our workforce, in order to bring new experience and capability which will further our project delivery and operations in meeting clients' requirements.

In March 2022, we were certified with ISO 29001 which provides platforms and methods to attain excellent levels of operational integrity, sound practices, processes and systems for the design, development, production, installation and service for the petroleum, petrochemical and natural gas industries. This certification will further strengthen our existing Integrated Management System (IMS).

We also obtained the OPITO Competence Management System (CMS) for *FSO Puteri Dulang* which gives us more control over risk and cost at every step of the competence management lifecycle and contributes to the development of a high performing workforce.



- OPITO Competency Management System Certificate – *FSO Puteri Dulang*
- ISO 29001 to further strengthen IMS

### HIGH ASSET UPTIME

OBU continued to maintain high asset uptime, achieving beyond our target performance. Our operational excellence enabled us to maintain safe, reliable and efficient operational uptime performance of >95% as at end 2022.



- Achieved operational excellence
- High operational uptime performance of 97%

### ENHANCED OUR INTERNATIONAL INDUSTRY PRESENCE INTERNATIONALLY

OBU continued to expand our visibility in the international offshore sector by participating in several conferences during the year. On behalf of MISC we hosted the Offshore Technology Conference (OTC) Asia 2022 in Kuala Lumpur, Malaysia, held from 22 – 25 March. The biennial conference is an important industry platform where energy professionals meet to exchange and share ideas and insights to promote scientific and technical knowledge for offshore resources and environmental matters. At the conference themed 'Excellence in Asia: Setting the Pace for Future Energy', we were able to share our knowledge on how industry players could drive efficiencies towards ensuring a smooth transition to a low carbon future. We also participated in the FPSO World Congress 2022 which took place on 12 – 15 November 2022 in Singapore where we took part in thought leadership sessions and panel discussions on the industry's transformation roadmap to sustainability and renewable energy.



**Conferences in 2022:**

- OTC Asia 2022
- FPSO World Congress 2022

### RETAINED OUR SUSTAINABILITY FOCUS

In 2022, OBU continued to focus on achieving sustainability targets and developing renewable and sustainable technology solutions for our existing and future assets. MISC Group has focused on sustainability for a number of years and OBU has contributed significantly to the impressive results to date. We have produced our own OBU Sustainability Strategy, which is closely aligned with the MISC 2050 long range strategy. Through the OBU Sustainability Strategy, we have committed to specific actions across ESG pillars which will be delivered progressively by owners within OBU.

The establishment of the New Ventures Technology Department provides us with the launch pad to seek out new sustainability solutions for our existing and future assets. This will future-proof our business in a net-zero world. The team will be examining and pursuing new business lines, energy transition and sustainability projects based on new technologies that will further enhance our sustainability focus and outcomes in 2022 and beyond.

The ongoing development of renewable and sustainable solutions that we are exploring are as follow:

- Potential new sources of revenue streams in line with MISC 2050 and increasing market demand
- Deployment of technology to monitor and reduce GHG emissions on existing and future MISC-operated assets
- Development of newbuild hull designs to position MISC as a best-in-market sustainable solutions provider
- Development of renewable and sustainability technology solutions

In addition to this, OBU has completed our New Build FPSO (NBF) Development Programme to leapfrog competitors' technology and create competitive advantage. We are actively pursuing the decarbonisation agenda by incorporating sustainable design and technologies into our FPSO designs, as

# OFFSHORE BUSINESS

well as actively exploring opportunities in the renewable energy segment by capitalising in our vast offshore experience. In order to drive worldwide recognition of our NBF Development Programme, we introduced the initiative at the FPSO World Congress in Singapore.

The NBF Development Programme which has multiple phases to it was executed to develop future ready and safe FPSO solutions. During the year, we conducted Front End Engineering and Design for the Hull, moorings and riser system, as well as an innovative Topside design which makes it intrinsically safe, provides flexibility for future growth and reduces the overall EPCIC schedule. The holistic programme also features a robust pre-developed procurement plan and early engagement with key vendors. On top of that, it also features strategic alliances with a financing structure in place, which will lead to the development of a large newbuild FPSO that includes technologies to reduce carbon emissions and execute the

EPCIC of the newbuild FPSO with reduced CAPEX, shorter schedule and with the least possible interfaces.



**Sustainability focus to future-proof the business:**

- New Ventures Technology Department
- Introduced groundbreaking NBF Development Programme to develop future ready and safe FPSO solutions at the FPSO World Congress

## STRATEGIC PARTNERSHIPS INCREASE COMPETITIVE EDGE

Towards enhancing our competitive edge, OBU has entered into strategic partnerships with reputable industry player to increase our competitive edge by providing complementary solutions. Our partnerships will enable us to pursue targeted opportunities which will complement MISC's capability and reduce our risk in terms of project participation. More opportunities will open up for OBU to enter into mutually beneficial contracts to supply floating production assets under various contract schemes such as Lease and Operate, EPCIC, Build, Operate, Transfer (BOT) and Build, Own, Operate, Transfer (BOOT).



**Strategic partnerships to increase competitive edge**

## EXPANDING OUR FOOTPRINT

We continued with our strategic efforts to expand our market footprint. While we are pursuing expansion in the domestic market and other countries where we have established our footprint, we are also selectively exploring growth opportunities in new markets. This has resulted in OBU being selected to participate in international deep-water projects which has increased our familiarity with the technical, commercial and contractual aspects of the bids, particular in relation to the clients, project size and locations. We have also established relationships and qualifications with top tier clients which has opened opportunities for us to participate in future global projects and be part of their sustainability goals and agenda.



- Penetration into new markets through qualification and active bidding for deep-water projects
- Sourcing for opportunities in targeted markets in Asia Pacific, the Americas and Africa.

## MOVING FORWARD

The World Bank has projected global economic growth to reduce to 3% in 2023 – 2024, from 5.7% in 2021. Inflation is on the rise and is projected to rise to 6.5% in 2023 from 4.7% in 2021. Brent oil prices are estimated to be lower in 2023, averaging at USD95.30/bbl from USD103.30/bbl in 2022. However, the FPSO market is slated to recover, having grown from just nine awards in 2021 to 12 in 2022, and expectations of approximately 19 projects in 2023. There has also been an uptrend in 2022 in activities in the newbuild market, which we expect to continue into the year ahead. This will have a positive impact on OBU, as we are expanding our capability towards not only the conversion redeployment market, but the newbuild market as well, especially in the Latin America region.

At the same time, we are cognisant of difficulties that lie ahead. Driven by rising inflation, fuel and material costs which will increase in 2023, that will affect the profitability of most contractors and yards. Competition will further heighten especially within the Asia Pacific region, with suppliers vying for regional projects. Going into 2023, it is crucial for OBU to focus on our competitive edge.

Our future plans will see us further improving the health and safety performance of our staff and their working environments. Towards enhancing the capabilities of our workforce to meet client needs and demands, we will continue to invest in recruitment, training, talent management, knowledge transfer, and our diversity and inclusion programmes.

Incorporating digital solutions within projects and operations and also with our clients will be a key focus for the year ahead. We will continue to drive excellent project execution to ensure complete project delivery within budget and on time, as well as maintaining reliable and safe operations. This also ties in with our aim to drive great health and safety outcomes into the future.

Towards pursuing greater cost savings and increased efficiencies, OBU will work on developing our in-house Operation and Maintenance (O&M) capability. We believe this will enable us to have better control over the outcome of our projects as well as improve safety records.

We are committed to generating future growth and securing new contract awards from a number of targeted opportunities, while maintaining and enhancing existing contract operational performance and contract renewals. As for our major Brazilian project, we are determined to deliver the project on time and on budget through excellent project delivery.

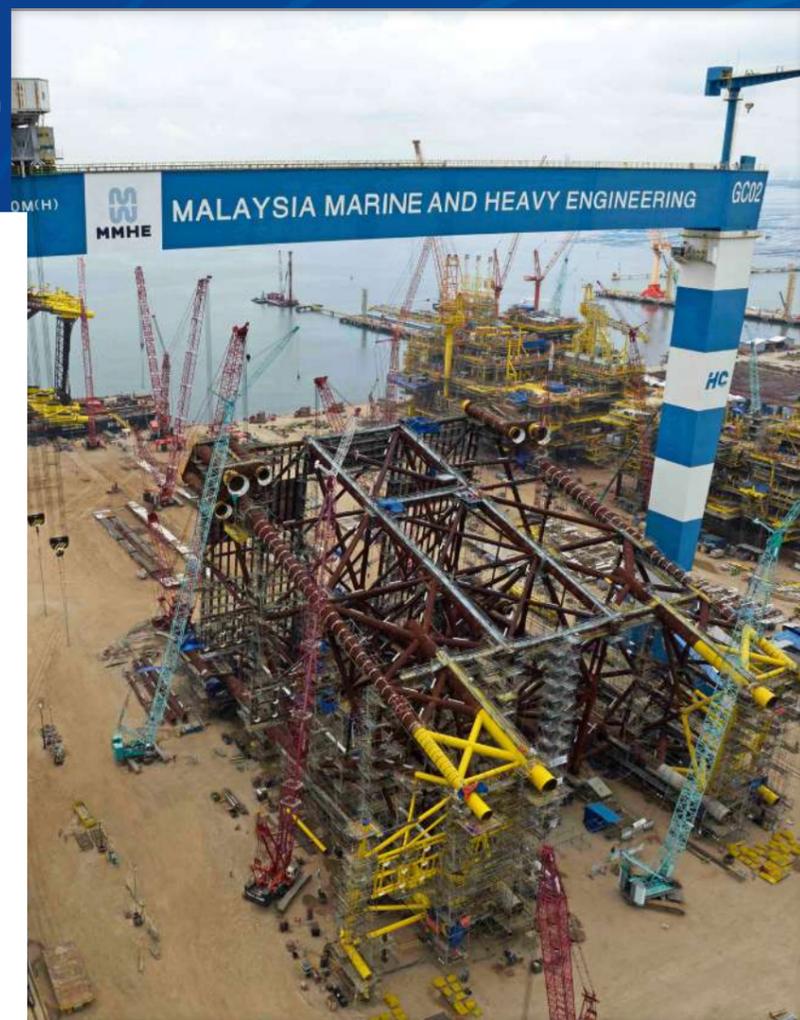
Sustainability remains at the forefront of our future strategic path, as we continue to execute initiatives and actions that support energy transition towards securing our position as a global player. In this regard, we will continue to invest in upskilling our talent to grow their capabilities and strengthen their support systems. We remain focused on transitioning into a net-zero world by developing and delivering energy transition or renewable energy solutions to ensure our continued success.



# MARINE & HEAVY ENGINEERING



**PANDAI OTHMAN**  
 Managing Director &  
 Chief Executive Officer,  
 Malaysia Marine and Heavy Engineering  
 Holdings Berhad (MHB)



Our efforts to strategically focus on green solutions in line with energy transition and decarbonisation paid off with new milestone contracts secured in 2022. We are particularly proud and honoured to be awarded the EPCIC alliance contract for the Kasawari CCS project by PCSB.

## KEY HIGHLIGHTS

Revenue



**RM1,652**  
MILLION

Operating Profit



**RM61**  
MILLION

Secured 2 major sustainable solutions projects in 2022



EPCIC alliance contract services for Kasawari CCS from PCSB – Malaysia's first and the world's largest offshore CCS project by volume of CO<sub>2</sub> captured



EPC services of the offshore platform for the Rosmari-Marjoram gas project powered by solar energy



Won Silver Award in the Energy category at The Edge Malaysia ESG Awards 2022

# MARINE & HEAVY ENGINEERING

## KEY DEVELOPMENTS

### SECURED MALAYSIA'S FIRST AND THE WORLD'S LARGEST CCS PROJECT

During the year MHB secured the Kasawari CCS project from PCSB to undertake EPCIC alliance contract services. The EPCIC contract involves the construction of a 14,000 MT topside, a 15,000 MT eight-legged jacket of Kasawari CCS platform and a bridge linking to the Kasawari CPP. Upon completion, Kasawari CCS will be the world's largest offshore CCS project by volume of CO<sub>2</sub> captured at 3.3 million tonnes per annum of CO<sub>2</sub>, as well as Malaysia's first CCS project. Located off the coast of Sarawak, offshore Malaysia, the project is slated to start up by the end of 2025.

The award for the EPCIC alliance contract had followed on from MHB being awarded the FEED contract conducted in a FEED competition mode in early 2022. The FEED contract involves the Kasawari CCS facility capturing, transporting, and injecting high CO<sub>2</sub> gas from the existing Kasawari Gas Development project's CPP to the M1 Drilling Platform-A for storage in the reservoir.

Our major contract win from our long-standing partner, PCSB, demonstrates their continued confidence in our capability to deliver according to their expectations. As this contract was won based on a FEED competition, it is also testament to our cost competitiveness in delivering integrated EPCIC solutions.



**Secured EPCIC alliance contract for Malaysia's first and the world's largest offshore CCS project by volume of CO<sub>2</sub> captured - Kasawari CCS Project**

- EPCIC Kasawari Gas Development project - 75.5% progress rate
- EPCIC Jerun Development project - 53.4% progress rate

### SECURED ROSMARI-MARJORAM GAS PROJECT PROVIDING CLEAN ENERGY SOLUTIONS

Another major project secured in 2022 was the engineering, procurement and construction (EPC) services contract for the offshore platform of the Rosmari-Marjoram gas project, off the coast of Sarawak, offshore Malaysia from Sarawak Shell Berhad (SSB). The unmanned platform will be primarily powered by renewable energy generated from solar panels reflecting our commitment in providing cleaner energy solutions through the utilisation of renewable energy.

Catering for up to 800 million standard cubic feet of gas per day for the supply of natural gas to the PETRONAS LNG Complex in Bintulu, Sarawak, the project has a design life of 20 years and is scheduled for start-up in 2026. The platform will comprise a topside, a four-legged jacket and piles. The project award signifies our strong and lasting partnership with SSB as well as the revitalisation of the O&G sector.



**Secured EPC services contract for Rosmari-Marjoram gas project which will be powered by solar energy**

### COMMITTED TO PROJECT DELIVERY

We have continued to remain focused on delivering projects on our books. As at year end 2022, we had recorded 75.5% progress on the EPCIC Kasawari Gas Development project. The project comprises the construction of 47,000 MT of CPP, 8,600 MT of wellhead platform (WHP) and a flare structure, together with two bridges linking the CPP to the WHP and the flare structure. As well as that, it also includes the T&I of an 85 km pipeline linking the Kasawari CPP to the existing E11R-A platform.

For the EPCIC Jerun Development project, we recorded progress of 53.4% by the end of 2022. Consisting of the construction of an approximately 15,000 MT topside, 10,000 MT jacket and 5,000 MT piles of CPP, it also includes the design engineering of a 30-inch carbon steel pipeline with a length equivalent to 80 kilometres distance from the CPP to the existing E11R-B platform to co-mingle with the existing trunkline to the PETRONAS Malaysia LNG Complex in Bintulu, Sarawak.



### RECORDED GROWTH IN MARINE SEGMENT

The Marine segment recorded growth in the year as COVID-19 related challenges eased due to the pandemic transitioning to the endemic phase. By year end, the Marine business had secured 41 new clients comprising 10 new domestic clients and 31 new international clients from South Korea, Hong Kong, Netherlands, United States of America and United Kingdom among others. It also entered into six En Bloc Agreements as part of the total 111 projects secured. During the year, the Marine business completed the repair and maintenance of 87 vessels of various categories including 11 LNG carriers.



- 10 new domestic clients and 31 new international clients
- 6 En Bloc Agreements
- Total of 111 projects secured
- Completed the repair and maintenance of 87 vessels including 11 LNGCs

### SUSTAINED PERFORMANCE FROM THE PTSM SEGMENT

We proceeded to diversify our business through the PTSM segment which continued to record steady performance. Turnaround projects we conducted during the year at the KL-Kepong Oleomas Sdn. Bhd.'s oleochemical plant and at Malaysian Refining Company Sdn. Bhd. for portable boiler services. Since 2018, the PTSM segment recorded accumulated manhours of close to 1.5 million manhours. Turnaround recorded 150,000 manhours for SWEC Code Accreditation while Daily Maintenance recorded 350,000 manhours.



- Close to 1.5 million accumulated manhours
- Completed a non-O&G and non-PETRONAS turnaround project for KL Kepong Oleomas Sdn. Bhd.'s oleochemical plant

### ENHANCED OUR INTERNAL CAPABILITIES

MHB has continued to focus on enhancing our capabilities to improve our efficiency and increase our competitive edge. In 2022, we obtained certification from ASME for manufacturing U, U2 and R stamp coded pressure vessels. This certification will enable us to expand into new markets for the manufacturing and repair of pressure vessels.

On top of that, we expanded our core FDDE/FEEV team. This has augmented our ability to deliver on our projects. Towards building our track record on managing full scope EPCIC projects, we continued to implement our T&I execution strategy for two key projects through long-term partnership with notable T&I contractors.



- Obtained certification from ASME for manufacturing U, U2 and R stamp coded pressure vessels
- Expanded our core FDDE/FEEV team
- Implemented our T&I execution strategy by entering into 2 long-term partnerships

### IMPROVED FACILITIES AND INCREASED AUTOMATION AT OUR YARDS

Towards generating greater productivity and profitability, in 2022 we increased the number of incoming vessels and asset utilisation. In addition, we completed a feasibility study on robotic blasting and plan to implement the system in 2023. This new closed system blasting which utilises semi-automation will dramatically improve our dry dock operations productivity, as well as deliver positive environmental impacts.

Berthing facilities at Quay 1 have been increased to 2 berths, while upgrading works at Quay 7 and West Finger Pier are progressing as planned. Once completed, we would have increased our berthing facilities by 37.5% compared to FY2021, to 11 berths.



- Increased number of incoming vessels and asset utilisation
- Completed feasibility study on robotic blasting
- Increased berthing facilities to 11 berths

# MARINE & HEAVY ENGINEERING

## STRATEGIC PARTNERSHIPS TO CAPTURE MARITIME DECARBONISATION OPPORTUNITIES

With the IMO's EEXI and CII regulations coming into effect in 2023 in line with the maritime decarbonisation agenda, MHB is well placed to capture opportunities in this area. In 2022, we entered into two strategic partnerships to build our capabilities as follows:

1. Strategic partnership with a maritime clean technology company, Silverstream Technologies for Silverstream's market-leading air lubrication technology, the Silverstream® System; and
2. Strategic partnership with Bureau Veritas Solutions for hull improvements including bulbous bow retrofits in compliance with EEXI and CII.

Our new partnerships will enable us to support vessel owners and operators in their decarbonisation efforts.



**2 strategic partnerships to provide services for vessel retrofits in compliance with EEXI and CII requirements**

## STRENGTHENED OUR OWF OFFERING

We continued to advance with our OWF venture by participating in 13 prequalification active bidding exercises in 2022 by capitalising on our relationship with Smulders to build our credibility in the OWF space. This has seen us making inroads in establishing our footprint in key OWF markets such as Taiwan and Europe. As well as that, we are leveraging on our partnership with Kellogg Brown & Root Asia Pacific Pte Ltd, covering collaborations on offshore wind, onshore modular plants and offshore projects for the APAC region.

In 2022, we strengthened our OWF capability by entering into a strategic alliance with Dyna-Mac Holdings Limited via its subsidiary Dyna-Mac Engineering Services Pte Ltd to conduct joint bidding exercises on international projects. Through this partnership, we will be able to offer clients a one-stop solution for module fabrication, vessel conversion and integration work.



- Participated in 13 prequalification active bidding exercises in 2022
- Entered into a strategic alliance with Dyna-Mac to conduct joint bidding exercises on international projects

## PROGRESSING WITH OUR DIGITALISATION AGENDA

In 2022, MHB continued to implement our digitalisation strategy agenda through the digitalisation of our procurement processes. Known as the PANTHERA Project, it aims to integrate our procurement processes to ensure data transparency among our stakeholders, help us identify cost-saving opportunities and make better-informed decisions on our procurement activities based on data analysis. A key outcome during the year was the development of a vendor network and a frame agreement emphasising onshore modules. As at the end 2022, a total of close to 7,000 new vendors are on MHB's Approved Vendor List.

On top of that, we have improved the digital daily work checklist (DWC) system for better marine repair project monitoring and tracking. This has contributed to a reduction in production times and an increase in the accuracy of work done reports (WDR) and work completion reports (WCR) in our Marine operations.



- Approximately 7,000 new vendors are on MHB's Approved Vendor List as part of PANTHERA Project
- Improved DWC system for more accurate WDR and WCR

## CONTINUED OUR FINANCE TRANSFORMATION

2022 has seen considerable progress in our finance transformation roadmap to increase efficiencies in the finance function through the implementation of digitalisation and automation tools and the centralisation of functions. As at year end, we are close to completion and have targeted for the platform to go live in 2023. Upon completion, MHB's finance function will transform from its traditional role to a data driven finance of the future with predictive and prescriptive capabilities anchored on a single source of truth.

To ensure that our people are equipped with the digital skills they will require, we have provided our people with upskilling programmes to build their capabilities in conducting meaningful data analysis to make better, data-driven business decisions.



- Finance platform to go live in 2023
- Upskilling our people with digital capabilities

## AWARDS AND ACCOLADES

MHB has continued to garner external awards and accolades, testament to our commitment to support energy transition and maritime decarbonisation. On 28 November 2022, MHB was honoured with the Silver Award in the Energy category at The Edge Malaysia ESG Awards 2022 recognising our commitment towards all aspects of Environmental, Social and Governance (ESG). As well as that MHB was awarded the Occupational Safety and Health Gold Class I award at the MSOSH Awards 2022, demonstrating our high quality Generative HSSE Culture.



- Silver Award in the Energy category at The Edge Malaysia ESG Awards 2022
- Occupational Safety and Health Gold Class I award at the MSOSH Awards 2022

## MOVING FORWARD

Moving forward into 2023, we are seeing sustained recovery of the O&G sector as a result of an uptick global demand and geopolitical developments. Oil prices have reverted to 2014 highs while upstream cash flows are expected to reach new record levels in the following year. With OPEC+ having made the decision to cut oil production to stabilise the oil market, oil prices are expected to remain at high levels. This in turn will support the growth of capital spending in O&G engineering, procurement, construction and commissioning (EPCC) globally over the next five-year period.

Within the OWF market, energy transition is driving global demand while the onshore market is seeing a USD267 billion capital injection in LNG infrastructure in the US, Vietnam, Canada and Australia for the short to medium term. Both the Marine and LNG market will continue to be impacted by major diversions in seaborne energy trade patterns and volume in the short to medium term. While it is expected that inter-basin trade will not be strong through to 2025 as LNG demand in Europe is maintained, in the longer term LNG shipping demand will continue to grow at a steady rate to address renewed demand for inter-basin trade.

Going into the future, energy transition and maritime decarbonisation hold many promising growth opportunities for MHB. With the IMO's EEXI and CII regulations coming into force in January 2023, there has been a market need from vessel owners to retrofit ships to comply with these new requirements. MHB is positioning itself as a yard that enables vessel retrofitting through partnerships with technology owners such as Silverstream Technologies and Bureau Veritas Solutions.

Demand for CCS is also growing in line with energy transition and decarbonisation demands. MHB is well placed to capture further opportunities in this space by leveraging on the Kasawari CCS project that we were awarded in 2022. In addition, MHB will continue to engage asset owners such as PETRONAS and MISC for long term opportunities in a commercial CCS value chain in Malaysia, which may include fixed injection platforms and LCO2 transportation.

Based on our analysis of market conditions for the year ahead, MHB has identified the following strategic priorities for 2023:

### Heavy Engineering Fabrication

Strengthen our regional footing on all fronts and establish a strong international presence as an EPCIC contractor to achieve our targeted profit margins

### Marine Repair & Conversion

Aim to deliver on high value projects in tandem with our capability development agenda to sustain our targeted profit margins

### Modular & Serial Fabrication

Establish our track record by winning contracts in offshore wind and onshore modular as well as explore opportunities in light engineering

### Plant Turnaround & Shutdown Maintenance

Continue to secure projects from PETRONAS while penetrating non-PETRONAS and non-O&G segments

### Energy Transition and Decarbonisation

Capitalising on our 2022 project wins to target customers seeking sustainable energy solutions

### Digitalisation

Continue to drive our digitalisation agenda through the following initiatives:

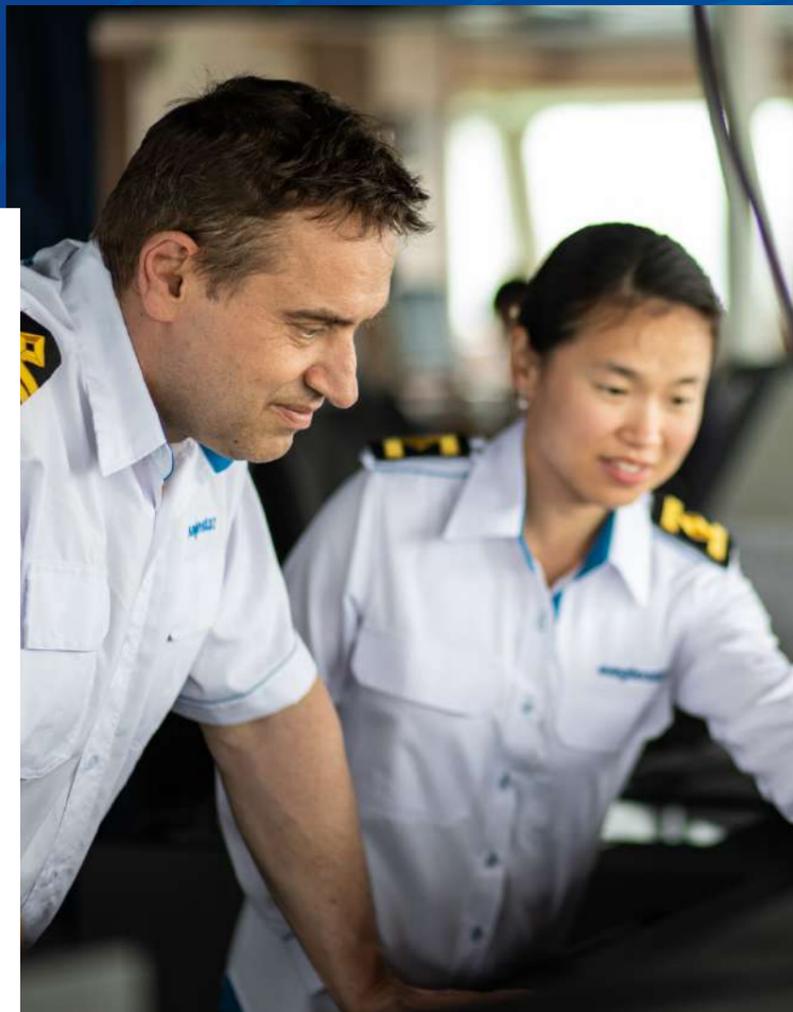
- Progressing with implementation of PANTHERA to optimise and digitalise end-to-end EPCIC supply chain management processes
- Implement AWP to align engineering, procurement, and construction processes
- Conduct a feasibility study on establishing a Process Technology Unit to further automate processes
- Utilise automated welding to increase productivity for serial fabrication methods

# INTEGRATED MARINE SERVICES



CAPTAIN PETER LIEW  
GUAN HOCK  
Managing Director/CEO,  
Eaglestar Marine Holdings  
(L) Pte. Ltd.

The restructuring of our business and fleet operations functions, and enhancement of our business practices, processes and procedures have optimised the outcomes of our operational excellence agenda. 2023 will see us continue to prioritise our efforts to further strengthen our service quality and operational excellence to create positive value for our clients.



## KEY HIGHLIGHTS

### Awards won:



Nominated for Gold Class 1 MSOSH Award 2022 by the Malaysian Society for Occupational Safety and Health

All 6 VLECs managed by Eaglestar received the Quality Shipping in Century (QUALSHIP 21) certification from the United States Coast Guard

### Completed delivery of:



**6**  
DPSTs

**2**  
dual-fuel VLCCs



Managed **87** vessels with global sea and shore workforce of **> 5,000**

# INTEGRATED MARINE SERVICES

## KEY DEVELOPMENTS

### SUCCESSFULLY TRANSFORMED TO BECOME AN AGENCY-BASED BUSINESS MODEL

Having embarked on our transformation journey to become an Agency-based business model in 2021, Eaglestar in 2022 has successfully established ourselves as a full-fledged Agency business model by aligning our business practices with third party ship managers and adopting third party ship management industry best practices and marketing approaches. This has enabled us to provide competitive services for our customers as well as to be self-sustaining in managing our daily operation and business. Furthermore, we have also diversified our customer base beyond MISC Group to augment our future growth and profitability.



**On track with transformation to become a 'Full-Fledged' Third Party Shipmanager**

### FOCUSED ON EXCELLENT PROJECT DELIVERY AND VESSEL MANAGEMENT

Eaglestar has continued to ensure excellent delivery on our newbuild projects on time and as per contract schedule. By end of 2022, we delivered a total of eight vessels consisting of six DPSTs and two dual-fuel VLCCs. Another three dual-fuel VLCC projects are ongoing, with delivery scheduled in 2023. We are also progressing with two LNGC projects, to be delivered in 2023. Throughout 2022, Eaglestar had 87 vessels under management, of which 47 were petroleum, 37 gas and three product vessels. We remain committed to diligently executing our projects and vessels under management in line with ensuring project excellence.



- Delivered 8 vessels in 2022 – 6 DPSTs and 2 dual-fuel VLCCs
- 3 VLCCs and 2 LNGCs scheduled for delivery in 2023
- 87 vessels under management

### SECURED NEW PROJECTS TO SUPPLEMENT OUR REVENUE STREAM

In 2022, Eaglestar successfully secured new projects which has strengthened our future revenue streams. Among them were ship supervision and project management services for 12 LNGCs to be delivered to QatarEnergy. We have also secured project management services and ship management of vessel contracts for two LNGCs to be delivered to SeaRiver Maritime LLC (SRM).



- New projects:**
- 14 LNGCs

### AUGMENTED OUR MARKET PROPOSITION

We have significantly improved our processes and conducted a benchmarking exercise to enhance our cost structure and market competitiveness. This has enabled Eaglestar to offer our customers competitively priced services.

To support vessel owners and charterers with their decarbonisation efforts, Eaglestar has embarked on decarbonisation-centred collaborations with various industry leaders. This includes The Castor Initiative as well as leading maritime institutions to develop seafarers training syllabus/standards in our quest to be a responsible ship operator. We are promoting energy efficiency initiatives amongst shipowners to optimize existing vessels' performance and efficiency to meet the IMO's EEXI and CII requirements. Our focused efforts will strengthen our visibility in the international shipping sector as a service provider that prioritises supporting vessel owners on their decarbonisation journey.



- Improved processes and enhanced cost structure
- Supporting vessel owners to comply with EEXI and CII regulations

### EXCELLENT HEALTH AND SAFETY STANDARDS

The safety of our people and assets managed has always been our topmost priority and is demonstrated through our efforts to institutionalise and promote a HSSE Generative culture throughout our organisation. Our unwavering commitment to upholding the highest standards of health and safety was recognised through various awards obtained during the year. In 2022, Eaglestar was nominated for the Gold Class 1 MSOSH Award 2022 by the Malaysian Society for Occupational Safety and Health. On top of that, all the six VLECs managed by the Eaglestar team received the QUALSHIP 21 certification from the USCG.



- Nominated for Gold Class 1 MSOSH Award 2022 by the Malaysian Society for Occupational Safety and Health
- All 6 VLECs managed by Eaglestar received the QUALSHIP 21 certification from USCG

## MOVING FORWARD

The market outlook for 2023 is being shaped by various external drivers. There is growing demand for LNGC and dual-fuel vessel segments, as well as new growth in zero-emission and technologically advanced vessels. These are driving demand for crew who have the skill sets to man these vessels. At the same time, global inflation is causing SOC to rise. Stringent new regulations from the IMO will require Eaglestar to provide services in line with ensuring adherence to these new requirements.

These challenges make it imperative for Eaglestar to strengthen our position as an integrated maritime service provider which can provide cost-competitive solutions for our customers. We are cognisant of the need to reskill and retool our talent pool to meet new demands and manage vessels equipped with advanced technology.

Based on our analysis of our operating environment, Eaglestar's plans to implement the following business and operational strategies for 2023 till 2027 within three Strategic Priorities:

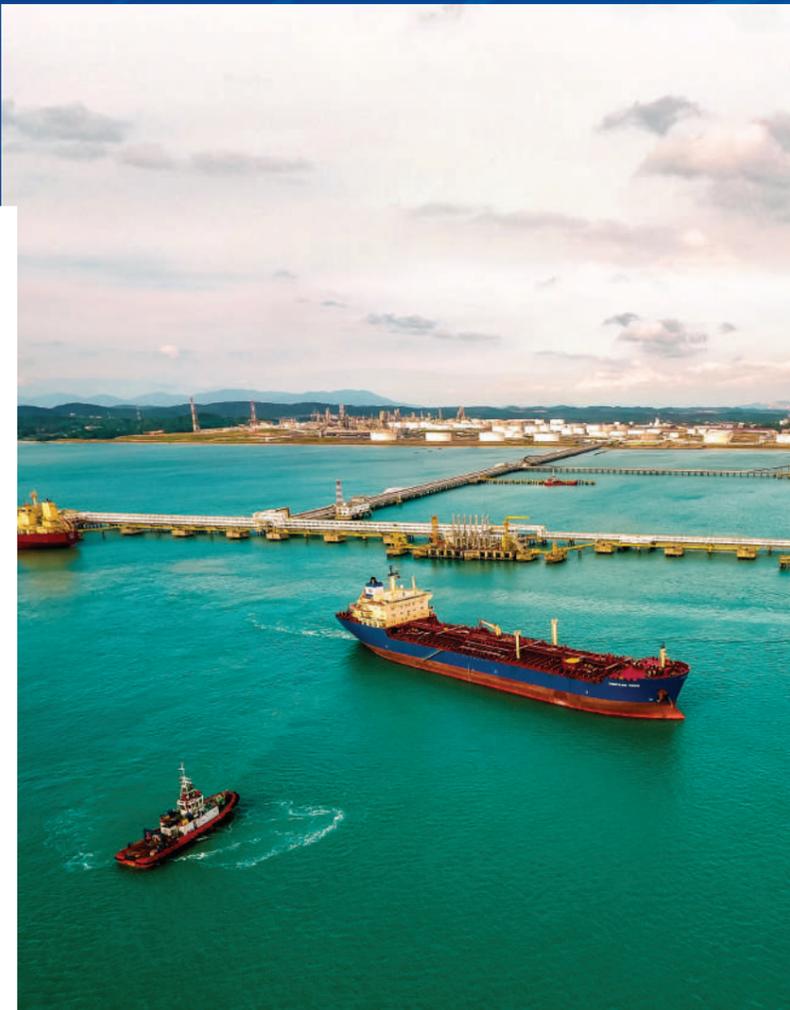
Sustainable Business Growth	Operational Excellence & Cost Optimisation	Dynamic Workforce for A Competitive Edge
<ul style="list-style-type: none"> <li>• Increase external vessels in the niche LNGC and dual-fuel segments</li> <li>• Intensify our marketing focus and commercial initiatives in China and Brazil</li> <li>• Develop/provide Offshore O&amp;M and Near Coastal /Harbour asset management</li> <li>• Enter into external partnerships and collaborations to develop inorganic growth and strengthen economies of scale</li> <li>• Introduce customised bespoke services for external owners</li> </ul>	<ul style="list-style-type: none"> <li>• Drive operational efficiency through optimum resource management onboard and ashore</li> <li>• Enforce generative safety culture and responsibility to pursue operational excellence</li> <li>• Leverage on technology and digitalisation to drive optimisation</li> <li>• Implement a cost management strategy focusing on countering and cushioning inflationary impact</li> </ul>	<ul style="list-style-type: none"> <li>• Upskilling and reskilling existing talent and resources for external vessel growth need</li> <li>• Develop crew and shore technical capabilities in the latest technology and digital applications</li> </ul>

# PORT MANAGEMENT & MARITIME SERVICES



M DENNY M ISA  
Managing Director & CEO,  
MISC Maritime Services  
Sdn. Bhd. (MMS)

We recorded our first milestone LNG bunkering operations in Sungai Udang Port. This achievement was the outcome of MMS venturing into the area of supporting the burgeoning LNG market as the maritime sector moves towards the utilisation of LNG-fuelled vessels to transition towards industry decarbonisation by 2050.



## KEY HIGHLIGHTS



**EXCELLENT**  
HSSE Culture  
**> 15.4 MILLION**  
safe man-hours with zero LTI since 1999



MSOSH Occupational  
Safety and Health  
Awards 2022  
**GRAND AWARD**



Performed  
**1<sup>ST</sup> SHIP-TO-SHIP (STS)**  
**LNG BUNKERING**  
in Sungai Udang Port

# PORT MANAGEMENT & MARITIME SERVICES

## KEY DEVELOPMENTS

### ADVANCED INTO THE SINGLE POINT MOORING (SPM) SPACE

In 2021, we had begun expanding our scope for SPMs in line with our long-term goal of generating sustainable business growth. Our aspiration is to become the single operator for SPMs covering the operation and maintenance of assets. During the year, we made successful inroads into this area by securing a Letter of Award (LOA) from PETRONAS and SEA Hibiscus to perform SPM refurbishment jobs in Sarawak and Labuan.



**LOA from PETRONAS and SEA Hibiscus for SPM refurbishments**

### ENHANCED OUR CAPABILITY

Towards ensuring that we develop our in-house capabilities in tandem with our business development plans, we have enhanced our capability through several measures. In 2022, we developed our own in-house maintenance team, complete with our own equipment, manpower and workshops. With the existence of this team, we will be able to reduce our operational costs as we can reduce outsourcing to external parties.



**Established our in-house maintenance team**

### ENHANCED OUR BUSINESS PROCESSES WITH EXTERNAL CERTIFICATIONS

In 2022, we were certified with the ISO 37001:2016 Anti-Bribery Management System (ABMS) which underpins our approach of running our business in a trustworthy manner as well as our commitment to upholding the highest standards of ethics and governance. The ABMS enables us to prevent, detect and address bribery issues by adopting an anti-bribery policy, having a dedicated function which oversees anti-bribery compliance, training, risk assessments and due diligence on our projects as well as vendors and sub-contractors, among other matters.



**Certification in 2022: ISO 37001:2016 Anti-Bribery Management System (ABMS)**

## MOVING FORWARD

For the year ahead, we expect the oil and gas (O&G) industry to be shaped by the Organization of the Petroleum Exporting Countries plus (OPEC+) production cut of 2 million barrels announced in November 2022 which will be enforced until the end of 2023. With Malaysia forming part of the OPEC+ group, Malaysia has committed to cutting oil production by 27,000 barrels per day, resulting in a production of 567,000 barrels per day. This decision, together with a slight decline in the production profile forecasted for 2023, will have an impact on MMS as it will reduce the number of operations for both port and terminal management and maritime services.

However, oil prices are forecasted to stabilise at a healthy level in the coming year. Better industry conditions will lead to our clients pursuing more projects in the O&G sector, which could potentially improve demand for our services. In the medium-term future, increasing operational costs could pose a challenge as manpower, charter hire, and other operating cost trend upwards. This will impact our ability to enter into new markets. As such, exploring more ways to remain cost effective is crucial.

Bearing in mind both future risks and opportunities, our focus remains on further driving business growth. We plan to pursue new sustainable business models that will deliver long term growth and at the same time, to drive our operational excellence to sustain our income base. Even as we develop new businesses with PETRONAS, we will concurrently continue to explore new opportunities with non-PETRONAS clients. Our growth strategy will see us focusing on expanding our regional and international presence, by capturing new clients, obtaining more SPM and jetties projects, acquire technologically advanced tugboats and continue to penetrate the burgeoning LNG market.

We will shore up our capability and capacity by building an agile, future ready team of marine professionals. Our talent excellence agenda will see us focusing on upskilling our marine professionals to cater for niche markets as we continue with asset expansion to further enhance our operational capability and capacity. This includes training and developing our talents to meet PFLNG and LNG business requirements.

Leveraging on technology and digitalization, we will distinguish ourselves from our competitors. We plan to further integrate digital systems and data analytics in our operations for better efficiency, which will act as a differentiator for MMS.

We believe that working together with the MISC fraternity will benefit the Group as we set to embark in developing new ship management capacity by collaborating with Eaglestar in terms of managing our future tugboat fleet. By having our own tugboat fleet, we will be able to minimise the risks of relying on third-party providers as well as optimise our operation costs in the long run.

### EXPANDED INTO LNG BUNKERING

Another opportunity identified to drive our future growth was tapping into the fast-growing LNG market. The LNG market has been steadily growing on the back of greater demand for LNG-fuelled vessels as a transition fuel towards industry decarbonisation by 2050, as LNG is an eco-friendly alternative to oil-fuelled vessels. MMS has identified the LNG market as one we could support by providing services such as Ship-to-Ship (STS) LNG bunkering and LNG breakbulk. In 2022, we advanced in our strategic journey by performing our first LNG bunkering STS in Sungai Udang Port. In addition, we also provided Person in Overall Advisory Control (POAC) services for the coordination of The International Convention for the Prevention of Pollution from Ships (MARPOL) Annex 1 cargos during an STS operation in Labuan, representing our first POAC service offering.



- Performed 1<sup>st</sup> STS LNG bunkering in Sungai Udang Port
- Provided POAC services for STS operations for the first time in Labuan

### HEALTH AND SAFETY AS OUR TOPMOST PRIORITY

Health and safety continued as one of our most important focus areas for 2022. Testament to our long held top notch health and safety reputation, since 1999 MMS has consistently achieved zero LTI in our operations. This achievement proves our capability in operating our services in a safe manner, thus inspiring the trust and confidence of our clients. During the year, we were awarded the Malaysian Society for Occupational Safety & Health (MSOSH) Grand Award at the Occupational Safety and Health Awards for our excellent occupational safety and health performance in 2022 at Sungai Udang Port. The award reflected our commitment to upholding the highest standards of safety when operating our ports.



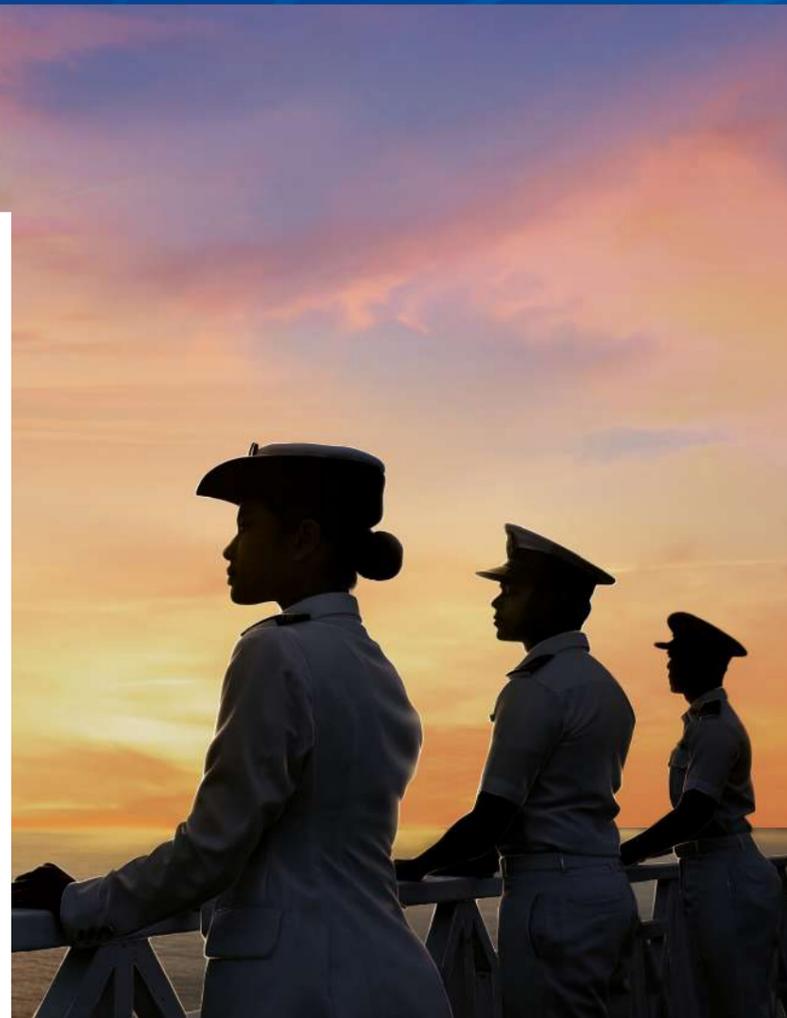
**Obtained Grand Award for safe operations at Sungai Udang Port at the MSOSH Occupational Safety and Health Awards 2022**

# MARITIME EDUCATION & TRAINING



RAFIQ KHAN AKBAR KHAN  
Managing Director &  
Chief Executive Officer,  
Malaysian Maritime Academy  
Sdn. Bhd. (MMASB)

We revamped ALAM's academic structure to fortify our institutional foundations by strengthening our core. This included adding new key roles to meet student expectations, as well as answering the needs of our partners, regulatory authorities, and other key stakeholders.



## KEY HIGHLIGHTS



Offers over  
**160 COURSES**  
including customised courses



Cadetship Programme Enrolment  
**142 CADETS**  
in 2022



**EXCELLENT**  
Health and Safety Culture  
MSOSH Gold Merit Award Winner  
for 2022 under the category of  
Educational Sectors, Petroleum, Gas,  
Petrochemical & Allied Sectors which  
is equivalent to an Excellent OSH  
Performance

# MARITIME EDUCATION & TRAINING

## KEY DEVELOPMENTS

### EXPANDED OUR ACADEMIC PORTFOLIO

In 2022, ALAM expanded the scope of our academic programmes to cover other segments of maritime industry, thus effectively diversifying our academic portfolio. New offerings include the Diploma in Maritime Transportation and Logistics, Diploma in Maritime Services, Diploma in Maritime Business Administration and Diploma in Maritime Management. All these programmes have been approved by the Ministry of Higher Education (MoHE).

In total, we have onboarded 18 new programmes in 2022. Four of these are Standards of Training, Certification and Watchkeeping for Seafarers (STCW) Marine Department Malaysia (MARDEP) approved, while 10 are customised programmes based on industry demand, with another four homegrown diploma programmes that were approved by MoHE. During the year, we also conducted Malaysia's first hybrid STCW course.



18 new programmes in 2022:

- 4 MoHE approved diploma programmes
- 4 MARDEP approved programmes
- 10 market-ready customised programmes based on industry demand

### MAINTAINED STUDENT INTAKE

In the beginning of 2022 before the COVID-19 pandemic shifted to the endemic phase, strict border controls impacted the physical academic intake of foreign students especially for post sea and modular courses. Following the country's effectiveness in preventive and control measures of public health and uplifting of border restriction, we are optimistic that the 2023 physical academic intake will improve for both local and foreign students.



- Student intakes in 2022:
- 142 students for cadetship programmes
  - 340 students for post sea programmes
  - 68 students for ratings programmes

### PROVIDING GRADUATES WITH EMPLOYMENT OPPORTUNITIES

With the majority of the cadetship programme students under sponsorships, previous records have shown they have been employed upon graduation. As for others, we assisted a total of 51 eligible cadets for ship berths at 16 shipping companies, and 11 eligible ratings graduates for ship berths at multiple shipping companies.



- Assisted 51 eligible cadets for ship berths at 16 shipping companies
- Assisted 11 eligible ratings for ship berths at multiple shipping companies

### MAINTAINED GROWTH IN OUR CONSULTANCY SERVICES ARM

ALAM continues to be recognised by MARDEP as a Marine Risk Assessment consultancy service provider. During the year, we delivered a total of nine simulation projects and customised courses for nine clients, mostly for maritime industry players.



Secured new contracts and projects:

- 2 Ship-to-Ship (STS) simulations
- Train the Simulator Trainer and Assessor
- Simulation for liquid bulk STS petroleum
- Desktop simulation for dry bulk cargo STS operation, development of reclamation land & passageway of traffic from Sungai Melaka
- Partnered with Eaglestar to conduct combined maintenance course at ALAM

### COLLABORATED WITH UNIVERSITIES AND INDUSTRY PARTNERS TO ENHANCE EDUCATION OUTCOMES

In 2022, ALAM entered into academic partnerships by signing MOUs with five universities. The areas we will focus our collaborations on are as follows:

- Maritime training, research, teaching, and services
- Exchanging best practices, experiences, and documentation

We also signed LOI with seven prominent industry partners covering the following areas:

- New training modules and marine technology
- Exploring/promoting focus areas in the fields of maritime research, teaching and services

Our new strategic partnerships and collaborations place us in a sweet spot to further expand our academic outcomes.



- 5 MOUs with universities
- 7 LOIs with industry partners

### ACCELERATED OUR DIGITAL AND TECHNOLOGICAL TRANSFORMATION

Since the on set of the pandemic, ALAM has been quick to adapt from predominantly offering physical classes to offering online and hybrid classes. The online learning has since become the new norm in the education and training industry allowing for customised, agile and flexible course structures and programmes. Failure on our part to keep pace with the latest technological advancement will lead to opportunity loss and ALAM potentially losing its relevance in the maritime education sector. As well as that, we are mindful that classroom-based face-to-face learning will become a limiting factor for our future business growth. Thus, we believe it is imperative for ALAM to invest in an integrated IT/ digital system that seamlessly spans both academic and non-academic operations. This will give our academic staff the ability to acclimatise themselves with online based teaching and learning methodologies, in addition to traditional teaching methods.



Leveraging on new technologies for teaching and learning to:

- Empower the ALAM community via ICT
- Improve and innovate ICT facilities to support the core of the academy



## MARITIME EDUCATION & TRAINING

### CONTRIBUTION TO THE MARITIME INDUSTRY

As a maritime education provider, ALAM believes in contributing to the overall academic environment by sharing our unique areas of expertise. In 2022, three faculty members were selected to represent Malaysia along with representatives from the Ministry of Transport and MARDEP at the 8th Session of the International Maritime Organisation's (IMO) Sub-committee Meeting On Human Element, Training And Watchkeeping.

As well as that, ALAM continued to share our knowledge and expertise through articles, paper presentations and webinars as follows:

- Published seven articles in indexed journals
- Presented papers at 3 international conferences
- Conducted five webinars on emerging marine technology

On top of that, ALAM also published our own publications which were disseminated among our internal stakeholders as follows:

- ALAM's Journal Of Maritime Studies 3rd Edition published in June 2022 covering maritime related areas such as maritime safety, maritime technology and informatics, maritime management, marine engineering, and maritime education
- Two e-editions of the Zenith Newsletter covering the themes "ALAM Empowering Female Maritime Professionals" and "New Technologies for Greener Shipping"



#### Academic contributions via:

- 7 articles in indexed journals
- Presented papers at 3 conferences and won Best Presentation Awards for 2 papers
- Conducted 5 webinars on emerging marine technology
- Publication of ALAM's Journal of Maritime Studies
- Published 2 e-editions of Zenith Newsletter

### MOVING TOWARDS GENERATIVE HSSE CULTURE

ALAM's focus on prioritising health and safety on our campus was recognised by the MSOSH. We won MSOSH Gold Merit Award for 2022 and retained this award for 2 consecutive years. These external validation of our efforts will further motivate us to retain our focus on health and safety.



**MSOSH Gold Merit Award winner for 2022 under the category of Educational Sectors, Petroleum, Gas, Petrochemical & Allied Sectors which is equivalent to an Excellent OSH Performance**

### SUCCESSFULLY OBTAINED RECERTIFICATIONS

During the year, ALAM succeeded in being recertified with the ISO 9001:2015 having recorded no issues of non-compliance (NC) thus far. The ISO 9001 certification for Quality Management Systems reinforces ALAM's ability to consistently provide services that meet customer and applicable statutory and regulatory requirements, as well as our commitment to continuously improve our systems to enhance customer/student satisfaction.



- Recertified with ISO 9001 by SIRIM
- No NC recorded

### MOVING FORWARD

2023 will be a challenging year for ALAM, as we foresee the potential rise in unemployment which could affect student employability upon graduation. Industry volatility is causing shipping and oil and gas companies to limit their training budgets, as the world readies itself for a potential recession. Competition within the maritime education and training sector has also intensified, as players vie for students/clients in an increasingly difficult economic landscape.

ALAM plans to continue focusing on STCW and other related courses including revalidation courses. While we will maintain our efforts in ports and terminal simulation study and research projects. For the year ahead, ALAM will expand our offerings by launching new homegrown programmes and franchise degrees for students

keen to gain knowledge and pursue a career in the maritime industry and as a pathway for returning seafarers seeking shore career opportunities. We will also revise our current offerings and design new modular courses to meet evolving and changing industry demands and requirements in order to remain relevant and competitive. Within a competitive sector, we will continue to promote and enhance our appeal to potential students and clients by leveraging on virtual teaching and learning methods and expand industry demand course offerings. Technology will remain as one of our core areas of focus for 2023, as we attempt to fully utilise our IT ecosystem which will enable us to deliver our courses and programmes efficiently.



# PEOPLE DEVELOPMENT



SHARIZA MOHD JAFFAR  
SADIQ MARICAR  
Vice President,  
Human Resource Management

Given the new paradigm of hybrid and remote working models, we are cognisant of the importance of re-building workplace relationships as pandemic WFH practices had significantly impacted how our employees interacted with each other. Throughout 2022, we organised frequent employee engagements, utilising both formal and informal channels to foster healthy communication, commitment and belonging towards the organisation.



Refer to the Talent Excellence section of our Sustainability Report for details of our people development initiatives and outcomes.

## KEY HIGHLIGHTS



A diverse and inclusive workforce of **9,355 EMPLOYEES** from 44 nationalities



**RM73.61 MILLION** invested in capacity building for our employee



**0** Labour standard non-compliance issues in 2022



High Performing Talent Retention **93.6%**



Employee Engagement Score **80/100**

Based on PETRONAS Organisational Culture Survey 2022



Commitment to Just Transition

- Oil to Gas Reskilling
- DPST and LNG Dual-Fuel Vessel Upskilling
- Sea-to-Shore Career Transition

# OPERATING SAFELY & SUSTAINABLY



**CAPTAIN RAJA SAGER MUNIANDY**  
Vice President,  
Group Health, Safety, Security  
& Environment (GHSSE)

The key to our evolution into Generative HSSE as a culture, which is internalised across the entire organisation, is COMMUNICATION. The Advanced Safety Communication (ASC) programme we have instituted teaches our people to effectively get the message across, to all stakeholders. This, I believe, will strengthen our Generative HSSE Culture as the Group keeps moving ahead in creating value for all stakeholders.



Refer to the Health & Safety and Environment sections of our Sustainability Report for details of how we operate safely and sustainably.

## KEY HIGHLIGHTS



LTIF and TRCF recorded at **0.08** and **0.14** respectively a significant markdown against 2021



**99%** hazardous waste generated from shore operations recycled, reused or recovered



**S&P GLOBAL YEARBOOK 2023**  
MISC included as the Sustainability Yearbook Member for the first time

## ACHIEVEMENTS



### Generative HSSE Culture through

- HSSE Recognition Day
- HSSE Partners' Summit
- HSSE Awareness Sessions



### Circular Economy

- Conducted Ship Recycling Yard Assurance Programme
- Development of Group Ship Recycling Guidelines

# OPERATING RESPONSIBLY



AUSMAL KARDIN  
Vice President,  
Legal, Corporate Secretarial  
and Compliance

During the year, we fortified our governance and compliance by stepping up on initiatives under the Values, Assurance and Business Ethics strategic priority under the Governance Pillar of the MISC Sustainability Strategy 2021 – 2025. This strategic priority aims to continuously embed a culture of strong corporate governance and business ethics and conduct within the organisation.



Refer to the Governance section of the Sustainability Report for details of how we operate responsibly.

## KEY HIGHLIGHTS



Achieved **full marks in Governance** theme in FTSE4Good Bursa Malaysia for 4 consecutive years



Successfully renewed its **ISO 37001:2016 Anti-Bribery Management System certification**



**ISO 37001:2016 Anti-Bribery Management System certification** obtained by our main subsidiaries: MHB, AET, MMS and Eaglestar



Introduction of **Group-wide Management Compliance Scorecards**



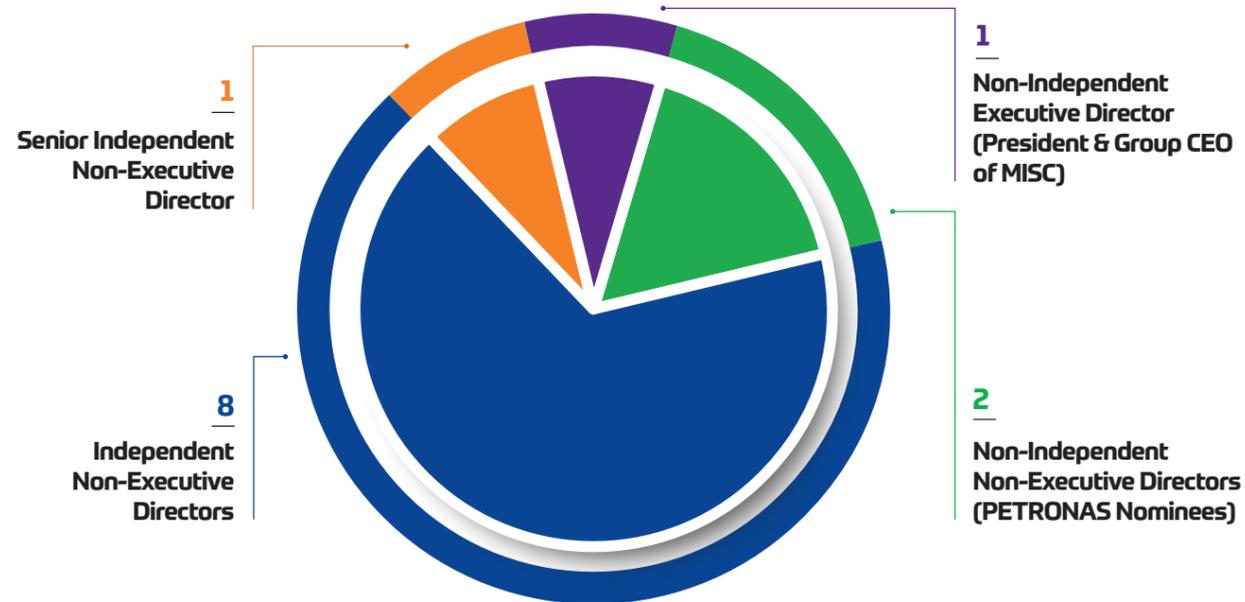
Upward trends in the **Dow Jones Sustainability Index (Emerging Market) Index**

# LEADERSHIP

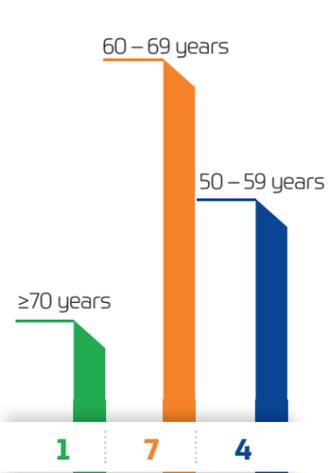
Our Board at a Glance	152
Our Board of Directors	154
Profiles of the Board of Directors	156
Our Management Committee	162
Profiles of the Management Committee	164

# OUR BOARD AT A GLANCE

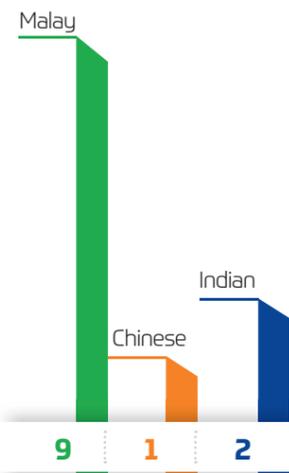
## COMPOSITION



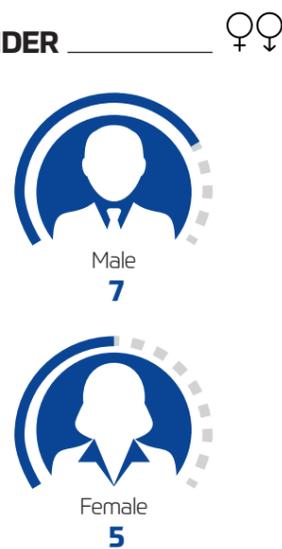
## AGE



## ETHNICITY



## GENDER



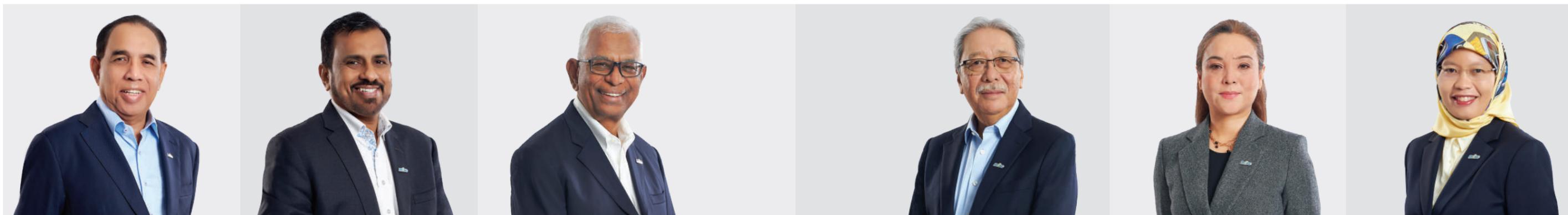
## BOARD SKILLS MATRIX



## INDUSTRY EXPERIENCE MATRIX



# OUR BOARD OF DIRECTORS



**Datuk  
Abu Huraiba Abu Yazid**  
Chairman,  
Independent Non-Executive Director

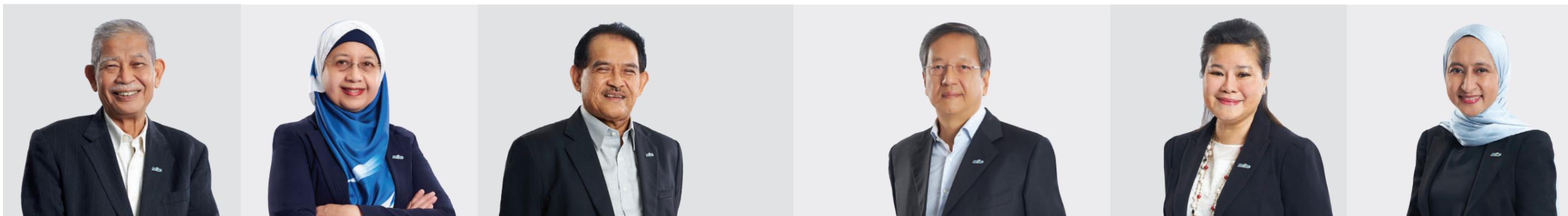
**Captain  
Rajalingam Subramaniam**  
President/ Group Chief Executive Officer

**Dato'  
Sekhar Krishnan**  
Senior Independent Non-Executive Director

**Datuk  
Nasarudin Md Idris**  
Independent Non-Executive Director

**Datin  
Norazah Mohamed Razali**  
Independent Non-Executive Director

**Liza Mustapha**  
Non-Independent Non-Executive Director



**Dato'  
Ab. Halim Mohyiddin**  
Independent Non-Executive Director

**Dato'  
Rozalila Abdul Rahman**  
Independent Non-Executive Director

**Mohammad Suhaimi Mohd Yasin**  
Independent Non-Executive Director

**Chew Liong Kim**  
Independent Non-Executive Director

**Dato'  
Tengku Marina Tunku Annuar**  
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

Age 69  
Gender Male



**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 28 February 2023)**  
2 years 4 months

**Number of Board Meetings Attended in 2022**  
13/13

**Academic/ Professional Qualifications**

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

**Present Directorships**  
Listed issuer:

- MISC Berhad

**Other Public Company:**

- NIL

**Present Appointments**

- Chairman, MISC Berhad
- Chairman, Pusat Rehab PERKESO Sdn. Bhd.

**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 Chief Executive Officer

Age 57  
Gender Male



**Date of Appointment**

- 1 October 2022

**Length of Service (as at 28 February 2023)**  
5 months

**Number of Board Meetings Attended in 2022**  
3/3

**Academic/ Professional Qualifications**

- Post Graduate Masters in Business Administration, Universiti Utara Malaysia
- Master's Foreign Going Certificate of Competency, Ministry of Transport Malaysia
- Professional Maritime Training, Malaysian Maritime Academy Sdn. Bhd. (ALAM)
- Executive Education in a Finance Program, INSEAD Fontainebleau
- International Corporate Governance / Directors Program, INSEAD Fontainebleau

**Present Directorships**

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

**Other Public Company:**

- NIL

**Present Appointments**

- President & CEO, AET Tanker Holdings Sdn. Bhd.
- Chairman and Board Member, various subsidiaries within the MISC Group
- Board Member, GARD PGI
- Election and Governance Committee Member, GARD PGI
- Executive Committee Member, INTERTANKO
- Chair, various class committees
- Honorary Commander, Royal Malaysian Navy Reservist Programme

**Past Experience**

- Chief Operating Officer, MISC Berhad
- Vice President, Fleet Management Services, MISC Berhad
- Group Vice President, AET Shipmanagement
- Winner of the 2018 Tanker Shipping & Trade Industry Leader Award
- Awarded – National Seafarers Icon 2017 – Malaysia Marine Department

## DATO' SEK HAR KRISHNAN

Senior Independent Non-Executive Director

Age 67  
Gender Male



**Date of Appointment**

- 15 January 2015 as Independent Non-Executive Director
- 8 August 2017 as Senior Independent Non-Executive Director

**Length of Service (as at 28 February 2023)**  
8 years 1 month

**Number of Board Meetings Attended in 2022**  
13/13

**Academic/ Professional Qualifications**

- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants

**Present Directorships**

- Listed issuer:
- MISC Berhad

**Other Public Company:**

- NIL

**Present Appointments**

- Chairman, Board Audit Committee, MISC Berhad
- Member, Board Sustainability and Risk Committee, MISC Berhad

**Past Experience**

- Executive Vice President, Corporate Services, Sime Darby Berhad
- Group Chief Financial Officer, Sime Darby Berhad
- Finance Director, Tractors Malaysia Holdings Berhad
- Finance Director, Sime UEP Properties Berhad
- Peat Marwick Mitchell & Co. (now known as KPMG)

## DATUK NASARUDIN MD IDRIS

Independent Non-Executive Director

Age 67  
Gender Male



**Date of Appointment**

- 11 October 2004 as Non-Independent Non-Executive Director
- 15 June 2010 as President/CEO
- 1 January 2015 re-designated as Non-Independent Non-Executive Director
- 23 February 2017 re-designated as Independent Non-Executive Director

**Length of Service (as at 28 February 2023)**  
6 years (as Independent Non-Executive Director)

**Number of Board Meetings Attended in 2022**  
13/13

**Academic/ Professional Qualifications**

- Masters Degree in Business Administration, Henley – The Management College (Brunel University), UK
- Bachelor of Arts (Honours) Degree, University of Malaya, Malaysia
- Stanford Executive Programme, Stanford University, USA

**Present Directorships**

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

**Other Public Company:**

- NIL

**Present Appointments**

- Chairman, Nomination and Remuneration Committee, MISC Berhad
- Member, Board Audit Committee, MISC Berhad
- Chairman, Malaysia Marine and Heavy Engineering Holdings Berhad
- Chairman, Finance & Investment Committee, Bintulu Port Holdings Berhad
- Chairman, Samalaju Industrial Port Sdn. Bhd.

**Past Experience**

- Board Member, PETRONAS
- Vice President, Corporate Planning and Development, PETRONAS
- Group Chief Executive Officer, KLCC Holdings Berhad
- Senior General Manager, Corporate Planning and Development Division, PETRONAS
- Executive Assistant to the President, PETRONAS
- General Manager, Marketing, PETRONAS Dagangan Berhad
- General Manager, Corporate Development, PETRONAS
- General Manager, Group Strategic Planning, PETRONAS

## PROFILES OF THE BOARD OF DIRECTORS

### DATIN NORAZAH MOHAMED RAZALI

Independent Non-Executive Director

 Age **52** Gender **Female**



**Date of Appointment**

- 9 October 2020

**Length of Service (as at 28 February 2023)**

2 years 4 months

**Number of Board Meetings Attended in 2022**

12/13

**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, Nomination and 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**

- Independent Non-Executive Director, Permodalan Nasional Berhad

- Member, Board Nomination and Remuneration Committee, Permodalan Nasional Berhad
- Member, Board Risk Committee, Permodalan Nasional Berhad

**Academic/ Professional Qualifications**

- Bachelor of Science Degree in Economics, majoring in Accounting and Finance, The London School of Economics and Political Science, University of London, UK
- Fellow of the Association of Chartered Certified Accountants
- Member of the Malaysian Institute of Accountants
- Advance Management Programme, The Harvard Business School, USA
- Independent Non-Executive Director, Cradle Fund Sdn. Bhd.
- Chairman, Nomination and Remuneration Committee, Cradle Fund Sdn. Bhd.
- Member, Investment Panel, Penjana Kapital Sdn. Bhd.
- Senior Advisor (Public Sector Practice), The Boston Consulting Group

**Past Experience**

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

### LIZA MUSTAPHA

Non-Independent Non-Executive Director

 Age **52** Gender **Female**



**Date of Appointment**

- 1 July 2017

**Length of Service (as at 28 February 2023)**

5 years 8 months

**Number of Board Meetings Attended in 2022**

10/13

**Academic/ Professional Qualifications**

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

**Present Directorships**

Listed issuer:

- MISC Berhad
- KLCC Property Holdings Berhad
- KLCC Real Estate Investment Trust

**Other Public Company:**

- Petroleum Nasional Berhad

**Present Appointments**

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

### DATO' AB. HALIM MOHYIDDIN

Independent Non-Executive Director

 Age **77** Gender **Male**



**Date of Appointment**

- 15 January 2015 as Chairman, Independent Non-Executive Director
- 1 June 2020 re-designated as Independent Non-Executive Director

**Length of Service (as at 28 February 2023)**

8 years 1 month

**Number of Board Meetings Attended in 2022**

13/13

**Academic/ Professional Qualifications**

- Master of Business Administration, University of Alberta, Canada
- Bachelor of Economics in Accounting, University of Malaya, Malaysia
- Diploma in Accountancy, University of Malaya, Malaysia
- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants

**Present Directorships**

Listed issuer:

- MISC Berhad

**Other Public Company:**

- NIL

**Present Appointments**

- Member, Board Sustainability and Risk Committee, MISC Berhad
- Member, Board Audit Committee, MISC Berhad

**Past Experience**

- Chairman, KNM Group Berhad
- Member, Audit Committee, KNM Group Berhad
- Chairman, Nomination Committee, KNM Group Berhad
- Member, Remuneration Committee, KNM Group Berhad
- Chairman, Audit Committee, KNM Group Berhad
- Chairman, MISC Berhad
- Chairman, Nomination and Remuneration Committee, PETRONAS Gas Berhad
- Member, Board Audit Committee, PETRONAS Gas Berhad
- Chairman, Amway (Malaysia) Holdings Berhad
- Chairman, Board Audit Committee, Amway (Malaysia) Holdings Berhad
- Member, Nomination Committee, Amway (Malaysia) Holdings Berhad
- Member, Remuneration Committee, Amway (Malaysia) Holdings Berhad
- Partner, KPMG /KPMG Desa Megat & Co
- Member, Education Committee International Federation of Accountants

### DATO' ROZALILA ABDUL RAHMAN

Independent Non-Executive Director

 Age **61** Gender **Female**



**Date of Appointment**

- 1 August 2018

**Length of Service (as at 28 February 2023)**

4 years 7 months

**Number of Board Meetings Attended in 2022**

11/13

**Academic/ Professional Qualifications**

- Bachelor of Food Science & Technology, Universiti Pertanian Malaysia, Malaysia
- Certificate of Merit (JAL Summer Scholarship Programme), Sophia University, Tokyo, Japan
- Diploma in Science with Education (Math Major), Universiti Pertanian Malaysia, Malaysia

**Present Directorships**

Listed issuer:

- MISC Berhad
- Affin Bank Berhad

**Other Public Company:**

- AGX Group Berhad

**Present Appointments**

- Member, Nomination and Remuneration Committee, MISC Berhad
- Chairman, Group Board Risk Management Committee, Affin Bank Berhad
- Member, Group Board Information Technology Committee, Affin Bank Berhad
- Chairman of AGX Group Berhad
- Managing Director and owner of Lestari Prestasi Sdn. Bhd.

**Past Experience**

- Board Member, Awake Asia Distribution Sdn. Bhd.
- Chief Executive Officer, Astro GS Shop Sdn. Bhd.
- Chief Marketing Officer, Telekom Malaysia Berhad
- General Manager, Maxis Berhad
- Sales & Marketing Director, Bank Simpanan Malaysia
- Marketing Manager, Reckitt Benckiser (M) Sdn. Bhd., Malaysia & Singapore
- Marketing Manager, Kellogg Asia Inc., Southeast Asia
- Various managerial positions in Technical and Marketing at Unilever (M) Holdings Sdn. Bhd., Malaysia & Singapore
- Cold Room Supervisor, Perwira Niaga Malaysia (PERNAMA)
- 33 years of working experience in the area of business and strategic marketing, consumer lifestyle and brand management, product lifecycle management including technical expertise in product development and quality assurance in the retail, telecommunications and fast-moving consumer goods industries.

# PROFILES OF THE BOARD OF DIRECTORS

## MOHAMMAD SUHAIMI MOHD YASIN

Independent Non-Executive Director

 Age 62 Gender Male



**Date of Appointment**  
• 9 October 2020

**Length of Service (as at 28 February 2023)**  
2 years 4 months

**Number of Board Meetings Attended in 2022**  
13/13

**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

**Other Public Company:**  
• NIL

**Present Appointments**  
• Member, Board Sustainability and Risk Committee, MISC 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.

## CHEW LIONG KIM

Independent Non-Executive Director

 Age 67 Gender Male



**Date of Appointment**  
• 1 September 2021

**Length of Service (as at 28 February 2023)**  
1 year 6 months

**Number of Board Meetings Attended in 2022**  
13/13

**Academic/ Professional Qualifications**  
• Member, Malaysian Institute of Accountants (MIA)  
• Fellow Chartered Accountant (FCA), Chartered Accountants Australia and New Zealand  
• Member, Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)  
• Bachelor of Commerce (Accountancy), University of Auckland, New Zealand

**Present Directorships**  
Listed issuer:  
• MISC Berhad

**Other Public Company:**  
• Amanat Lebuhraya Rakyat Berhad

**Present Appointments**  
• Member, Board Audit Committee, MISC Berhad  
• Chairman, Shakeup Online Sdn. Bhd.  
• Independent Non-Executive Director, ZICO Capital Sdn. Bhd.  
• Chairman, Asean Advisory Pte. Ltd.  
• Non-Independent Non-Executive Director, ZICO Holdings Inc., Catalist Market, Singapore Exchange  
• Member, Remuneration Committee, ZICO Holdings Inc  
• Member, Audit and Risk Committee, ZICO Holdings Inc  
• Member, Nominating Committee, ZICO Holdings Inc  
• Executive Chairman, CLK Advisors, Malaysia  
• Senior Advisor, Roland Berger Strategy Consultants, South-East Asia

**Past Experience**  
• Commission Member, Malaysian Communications and Multimedia Commission (MCMC)  
• Chairman, Audit and Risk Committee, MCMC  
• Chairman, Whistleblowing Committee, MCMC  
• Member, Remuneration Committee, MCMC  
• Managing Director, Maybank Investment Bank Bhd's strategic advisory division  
• Managing Director, Bina Fikir Sdn. Bhd.  
• Executive Director/CEO, Dataprep Holdings Berhad  
• Co-founder/Executive Chairman, HRM Business Consulting Sdn. Bhd.  
• Worldwide Partner, Arthur Andersen  
• Area Managing Partner Business Consulting, Asia Pacific, Arthur Andersen  
• Country Managing Partner Business Consulting, Malaysia, Arthur Andersen  
• Principal, Hanafiah Raslan Mohamad

## DATO' TENGKU MARINA TUNKU ANNUAR

Independent Non-Executive Director

 Age 60 Gender Female



**Date of Appointment**  
• 1 January 2022

**Length of Service (as at 28 February 2023)**  
1 year 2 months

**Number of Board Meetings Attended in 2022**  
13/13

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

**Present Directorships**  
Listed issuer:  
• MISC Berhad  
• S P Setia Berhad  
• Westports Holdings Berhad

**Other Public Company:**  
• NIL

**Present Appointments**  
• 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.  
• Council Member, Climate Governance Malaysia  
• 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

### 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 2022

## WAN SHAMILAH WAN MUHAMMAD SAIDI

Non-Independent Non-Executive Director

 Age 52 Gender Female



**Date of Appointment**  
• 1 June 2022

**Length of Service (as at 28 February 2023)**  
9 months

**Number of Board Meetings Attended in 2022**  
7/7

**Academic/ Professional Qualifications**  
• Bachelor of Science in Economics and Accounting, University of Bristol, United Kingdom  
• Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW)  
• Member of Malaysian Institute of Accountants (MIA)  
• Advance Management Program, Harvard Business School  
• Sustainable Finance, Cambridge Institute for Sustainability Leadership

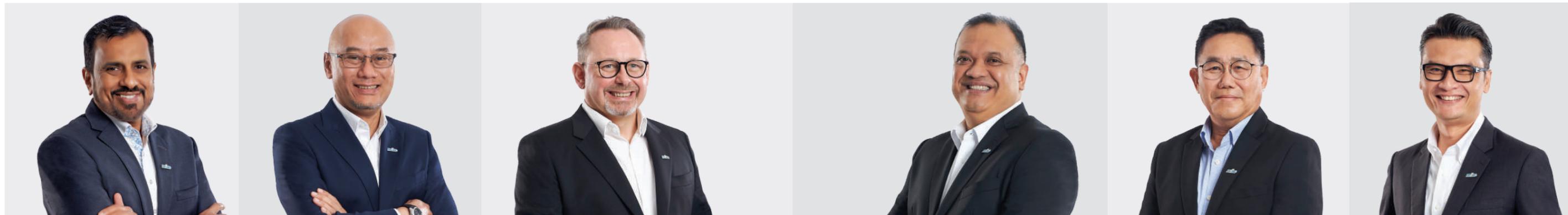
**Present Directorships**  
Listed issuer:  
• MISC Berhad

**Other Public Company:**  
• Several subsidiaries within PETRONAS Group

**Present Appointments**  
• 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

# OUR MANAGEMENT COMMITTEE



**Captain Rajalingam Subramaniam**  
President/Group Chief Executive Officer, MISC Berhad  
President & Chief Executive Officer, AET Tanker Holdings Sdn. Bhd. (AET)

**Hazrin Hasan**  
Vice President, Gas Assets & Solutions

**Alexander James Brigden**  
Vice President, Offshore Business

**Pandai Othman**  
Managing Director & CEO, Malaysia Marine and Heavy Engineering Holdings Berhad (MHB)

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

**Mohd Denny Mohd Isa**  
Managing Director & CEO, MISC Maritime Services Sdn. Bhd. (MMS)



**Raja Azlan Shah Raja Azwa**  
Vice President, Finance

**Zahid Osman**  
Vice President, Corporate Planning

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

**Shariza Mohd Jaffar Sadiq Maricar**  
Vice President, Human Resource Management

**Captain Raja Sager Muniandy**  
Vice President, Group Health, Safety, Security & Environment (GHSSE)

# PROFILES OF THE MANAGEMENT COMMITTEE

## CAPTAIN RAJALINGAM SUBRAMANIAM

President/Group Chief Executive Officer, MISC Berhad

President & Chief Executive Officer, AET Tanker Holdings Sdn. Bhd. (AET)

 Age 57 Gender Male

### Date of Appointment

- 1 October 2022 as President/Group CEO of MISC Berhad
- 1 January 2016 as President & CEO of AET Tanker Holdings Sdn. Bhd. (AET)

**Length of Service (as at 28 February 2023)**  
7 years 2 months  
(as President & CEO, AET)

### Responsibilities

- President/Group CEO, MISC Berhad
- 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

### President & CEO, AET

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

### Academic/ Professional Qualifications

- Post Graduate Masters in Business Administration, Universiti Utara Malaysia
- Master's Foreign Going Certificate of Competency, Ministry of Transport Malaysia
- Professional Maritime Training, Malaysian Maritime Academy Sdn. Bhd. (ALAM)
- Executive Education in a Finance Program, INSEAD Fontainebleau
- International Corporate Governance/ Directors Program, INSEAD Fontainebleau

### Present Appointments

- Chairman and Board Member, various subsidiaries within the MISC Group
- Board Member, Malaysia Marine and Heavy Engineering Holdings Berhad
- 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
- Vice President, Fleet Management Services, MISC Berhad
- Group Vice President, AET Shipmanagement
- Winner of the 2018 Tanker Shipping & Trade Industry Leader Award
- Awarded- National Seafarers Icon 2017 - Malaysia Marine Department

## HAZRIN HASAN

Vice President, Gas Assets & Solutions

 Gender Male Age 56

**Date of Appointment**  
1 January 2022

**Length of Service (as at 28 February 2023)**  
1 year 2 months

### Responsibilities

- Overall management and operations of the conventional LNG shipping and nonconventional gas asset solutions of MISC
- Development of the sustainability and profitability of LNG shipping and nonconventional 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 MISC Group
- Vice Chairman of Malaysia Shipowners' Association (MASA)

### Past Experience

- Managing Director and 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

 Age 51 Gender Male

**Date of Appointment**  
11 January 2023

**Length of Service (as at 28 February 2023)**  
1 month

### Responsibilities

- Overall management and operations of the Offshore Business arm of MISC
- 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

### 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

## PANDAI OTHMAN

Managing Director & CEO, Malaysia Marine and Heavy Engineering Holdings Berhad (MHB)

 Gender Male Age 52

**Date of Appointment**  
1 October 2020

**Length of Service (as at 28 February 2023)**  
2 years 5 months

### Responsibilities

- Overall management and operations of MHB, the marine and heavy engineering arm of MISC
- Development of MHB's sustainability and profitability through efficient and strategic business development and stakeholders management

### Academic/ Professional Qualifications

- Degree in Mechanical Engineering, University of Manchester Institute of Science and Technology (UMIST), Manchester, England

### Present Appointments

- Board Member, MHB and various subsidiaries and jointly controlled entities within the MHB Group

### Past Experience

- Senior General Manager, Integrated Hydrocarbon Management, Malaysia Petroleum Management, PETRONAS
- Senior General Manager, Plant Division, Malaysia LNG Sdn. Bhd.
- Project Director, PETRONAS LNG Train Project and Chief Executive Officer, PETRONAS LNG 9 Sdn. Bhd.
- Project Director Downstream, GLNG Project, Brisbane, Australia
- Shareholders' Representative, Dragon LNG Project, Wales, UK
- Executive Assistant to the President, President's Office, PETRONAS

- Project Director, PML MegaMethanol Project, PETRONAS Methanol (Labuan) Sdn. Bhd.
- Engineering Manager, Egyptian LNG Project, Egypt
- Senior Project Engineer, MLNG Tiga Plant Project
- Project Engineer, Centralized Utilities Facilities (CUF) Project, PETRONAS Gas Berhad (PGB)
- Project Engineer, MLNG Tiga Plant Project
- Project Engineer, LPG Facilities Project
- Engineer (Developmental), MLNG Dua Plant Project

## PROFILES OF THE MANAGEMENT COMMITTEE

### CAPTAIN PETER LIEW GUAN HOCK

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



Age  
58  
Gender  
Male

Date of Appointment  
1 June 2021

Length of Service (as at 28 February 2023)  
1 year 9 months

#### Responsibilities

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

#### Academic/ Professional Qualifications

- Master's Foreign Going Certificate of Competency, Ministry of Transport Malaysia
- Professional Maritime Training at Akademi Laut Malaysia

#### 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
- Assistance 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. (MMS)



Gender  
Male  
Age  
48

Date of Appointment  
1 January 2022

Length of Service (as at 28 February 2023)  
1 year 2 months

#### Responsibilities

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

#### Academic/ Professional Qualifications

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

#### 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
- Human Resource Management (Sea), MISC
- Head of Fleet Operations, Fleet Management Services (LNG), MISC
- Engineer Superintendent, Fleet Management Services (LNG), MISC
- Marine Engineer, MISC

### RAJA AZLAN SHAH RAJA AZWA

Vice President,  
Finance



Age  
52  
Gender  
Male

Date of Appointment  
8 April 2019

Length of Service (as at 28 February 2023)  
3 years 10 months

#### 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 supports the business needs and demands through secured platforms

#### 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
- Board Member, Labuan Reinsurance (L) Ltd.
- Chairman, Audit Committee, Labuan Reinsurance (L) Ltd.

#### Past Experience

- 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.

### ZAHID OSMAN

Vice President,  
Corporate Planning



Gender  
Male  
Age  
50

Date of Appointment  
1 January 2022

Length of Service (as at 28 February 2023)  
1 year 2 months

#### Responsibilities

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

#### Academic/ Professional Qualifications

- Master in Business Administration, University of Chicago Booth School of Business, USA
- Degree in Industrial Economics, University of Nottingham, UK
- Management Program on Strategy Creation, Columbia Business School

#### Present Appointments

- Board Member, AET Pte. Ltd. (a subsidiary within the MISC Group)
- Council Member and Chairman of Government & Regulatory Affairs Working Committee, Malaysian Gas Association
- Chairman of Advisory Panel at Malaysia Women in Energy (MyWiE)
- Committee Member, The London P&I Club

#### Past Experience

- Vice President, 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

# PROFILES OF THE MANAGEMENT COMMITTEE

## AUSMAL KARDIN

Vice President,  
Legal, Corporate Secretarial  
and Compliance

 Age **52** Gender **Male**

**Date of Appointment**  
1 January 2020

**Length of Service (as at 28 February 2023)**  
3 years 2 months

**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, United Kingdom
- Licensed Company Secretary

**Present Appointments**

- Company Secretary of MISC Berhad
- Board Member, various subsidiaries within the MISC Group
- Board Member, MHB and joint venture company within the MHB Group

**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

 Gender **Female** Age **47**

**Date of Appointment**  
1 March 2021

**Length of Service (as at 28 February 2023)**  
2 years

**Responsibilities**

- Formulate people strategies and human resource agenda for MISC Group to identify and develop capable leaders for the Group through succession planning, competency profiling and learning and 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 majoring in Human Resource, Drexel University, USA

**Present Appointments**

- Board Member, various subsidiaries within the MISC Group

**Past Experience**

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

## CAPTAIN RAJA SAGER MUNIANDY

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

 Age **61** Gender **Male**

**Date of Appointment**  
1 June 2021

**Length of Service (as at 28 February 2023)**  
1 year 9 months

**Responsibilities**

- Responsible for the management of the Health, Safety, Security, Information Security, Environment and Sustainability matters of the MISC Group

**Academic/ Professional Qualifications**

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

**Present Appointments**

- Board Member, various subsidiaries within the MISC Group
- Director, Society of International Gas Tanker and Terminal Operators Ltd (SIGTTO)

**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



### Declaration by all Management Committee Members

- 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 2022

# GOVERNANCE

Corporate Governance Overview Statement	172
Nomination & Remuneration Committee Report	195
Board Audit Committee Report	203
Board Sustainability & Risk Committee Report	212
Statement on Risk Management & Internal Control	218
Statement of Directors' Responsibility	236
Additional Compliance Information	237

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

In 2022, MISC was honoured with the award for the Strongest Commitment to Sustainable Energy Transportation Award at the Alpha Southeast Asia 12<sup>th</sup> Annual Institutional Investor Corporate Awards. At the inaugural The Edge ESG Awards 2022, MISC received the Silver Award under the Equities Category – Transport & Logistics Sector. In addition, MISC maintained its ranking in the top 25% by Environmental, Social and Governance (ESG) Ratings amongst public listed companies in Malaysia that were assessed in the FTSE4Good Bursa Malaysia Index of 2022. These achievements are a testament to the dedication across the MISC Group to ensure sustainability commands significant importance and is firmly embedded in all that we do.

MISC is committed to enhancing sustainable shareholder value and protecting stakeholders’ interests through sound corporate governance (CG) practices. This was indicative through repeated recognition of being ranked among the top five Malaysian companies in the category of Most Organised Investor Relations by Alpha Southeast Asia as well as receiving The Highest Returns to Shareholders Over Three Years (Transportation & Logistics) award by The Edge Billion Ringgit Club for the second time.

As governance forms one of the pillars which upholds MISC’s Sustainability Strategy 2021-2025, 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 13 Intended Outcomes with two deviations from the MCCG Practices, namely Practice 8.2 and Step-Up Practice 8.3.

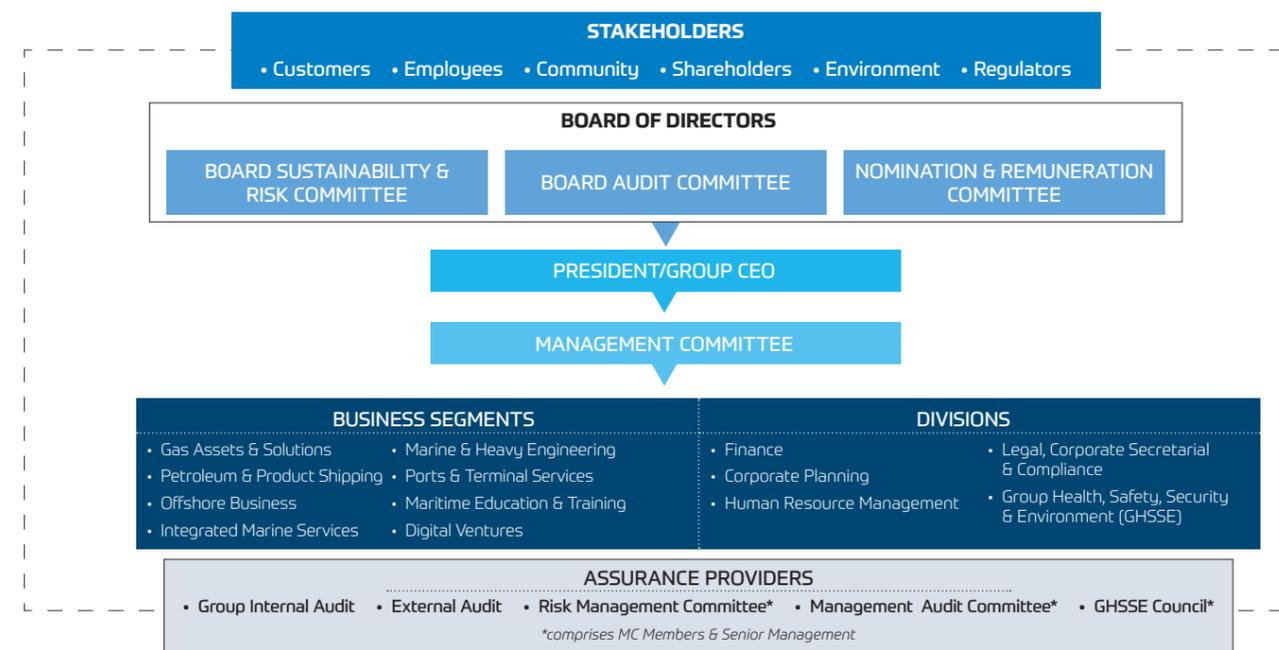
This CG Overview Statement seeks to provide investors and stakeholders with insights on the CG practices of MISC for the financial year 2022, specifically on the following three key CG Principles as prescribed in the MCCG:

<b>Principle A</b> Board Leadership and Effectiveness	<b>Principle B</b> Effective Audit and Risk Management	<b>Principle C</b> Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders
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This CG Overview Statement should be read together with the Company’s CG Report 2022, a copy of which is available on our website at [www.misc.com.my](http://www.misc.com.my).

## 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.



In emphasising MISC’s commitment to the sustainability agenda, the Board had resolved to rename the ‘Board Governance & Risk Committee’ to the ‘Board Sustainability & Risk Committee (BSRC)’ effective 1 January 2023.

The CG framework is supplemented by the Board Charter, Terms of Reference of the respective Board Committees and the MISC Limits of Authority (LOA). MISC’s Marine and Heavy Engineering business resides in a separate listed entity within the Group with its own CG framework which is modelled based on MISC’s CG framework.

## 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.misc.com.my](http://www.misc.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 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 CG 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, 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 3 categories:

- Statutory decisions for MISC based on regulatory and statutory requirements;
- Strategic decisions for MISC Group; and
- 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 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.

### (b) Nomination & Remuneration Committee (NRC)

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

For more information on the Board Committees, please refer to their respective reports on pages 195 to 202 (for the NRC), pages 203 to 211 (for the BAC) and pages 212 to 217 (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 for it 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 28 February 2023, the Board composition is as follows:

Director's Name	Age	Gender	Nationality/Ethnicity	Date of Appointment	Tenure (Years, "Y") (Months, "M")
<b>Independent Non-Executive Directors (representing minority shareholders)</b>					
Datuk Abu Huraira Abu Yazid (Chairman)	69	Male	Malaysian/Malay	9 October 2020	2Y 4M
Dato' Sekhar Krishnan	67	Male	Malaysian/Indian	15 January 2015	8Y 1M
Datuk Nasarudin Md Idris	67	Male	Malaysian/Malay	23 February 2017	6Y
Datin Norazah Mohamed Razali	52	Female	Malaysian/Malay	9 October 2020	2Y 4M
Dato' Ab. Halim Mohyiddin	77	Male	Malaysian/Malay	15 January 2015	8Y 1M
Dato' Rozalila Abdul Rahman	61	Female	Malaysian/Malay	1 August 2018	4Y 7M
Mohammad Suhaimi Mohd Yasin	62	Male	Malaysian/Malay	9 October 2020	2Y 4M
Chew Liong Kim	67	Male	Malaysian/Chinese	1 September 2021	1Y 6M
Dato' Tengku Marina Tunku Annuar	60	Female	Malaysian/Malay	1 January 2022	1Y 2M
<b>Non-Independent Non-Executive Directors (representing the major shareholder)</b>					
Liza Mustapha	52	Female	Malaysian/Malay	1 July 2017	5Y 8M
Wan Shamilah Wan Muhammad Saidi	52	Female	Malaysian/Malay	1 June 2022	9M
<b>Executive Director (representing Management)</b>					
Captain Rajalingam Subramanian	57	Male	Malaysian/Indian	1 October 2022	5M

### Key facts:

- Majority of the Board members are Independent Non-Executive Directors 75%.
- Gender diversity ratio of 42% women on the Board.
- Separate positions of Chairman and CEO.
- Independent Non-Executive Directors do not exceed the cumulative tenure of 9 years.
- The re-election of Board members is done annually on a rotation basis in line with the Companies Act 2016 and the MMLR.
- Datuk Yee Yang Chien retired as an Executive Director and President/Group CEO of MISC on 30 September 2022.

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 5 directorships in public listed companies.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Skills Matrix												
	Datuk Abu Huraira Abu Yazid	Dato' Sekhar Krishnan	Datuk Nasarudin Md Idris	Datin Norazah Mohamed Razali	Dato' Ab. Halim Mohyiddin	Dato' Rozaila Abdul Rahman	Mohammad Suhaimi Mohd Yasin	Chew Liang Kim	Dato' Tengku Marina Tunku Annuar	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 Communication								•				

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. Following the appointment of Cik Wan Shamilah Wan Muhammad Saidi as a Non-Independent Non-Executive Director of MISC effective 1 June 2022, the gender diversity ratio of women directors of the Company increased to 42%.

For more information on the Board members, please refer to their respective profiles on pages 156 to 161 of this Integrated Annual Report.

### Demarcation of Responsibilities at the Board Level

Chairman
<ul style="list-style-type: none"> <li>Leads the Board and ensures the Board fulfils its obligations to the Company effectively.</li> <li>Sets the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making.</li> <li>Instils and monitors good CG practices and chairs all Board and shareholders' meetings.</li> <li>Has the discretion to determine whether additional Board Committees are required to support the Board's roles and responsibilities.</li> <li>The MISC Board Charter provides that the Chairman of the Board shall not be a member of any MISC Board Committees.</li> </ul>
President/Group CEO
<ul style="list-style-type: none"> <li>Leads the overall operations of the business and organisational effectiveness, with the support of the Management Committee.</li> <li>Coordinates the development and implementation of policies and business strategies, as guided and approved by the Board.</li> <li>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.</li> <li>Ensures that financial management practices are performed with the highest level of integrity and transparency in the interest of the Company's stakeholders.</li> <li>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.</li> </ul>
Senior Independent Director
<ul style="list-style-type: none"> <li>Sounding board for the Chairman of the Board.</li> <li>Intermediary for other Directors and/or Chairman when necessary.</li> <li>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.</li> <li>Executes such other roles as designated by the Board from time to time.</li> </ul> <p>Any issues relating to the Group that requires the attention of the Senior Independent Director can be directed to his email address at: sekhar@miscbhd.com or the following address:</p> <p style="text-align: center;"><b>Dato' Sekhar Krishnan</b> Senior Independent Director MISC Berhad Level 25, Menara Dayabumi Jalan Sultan Hishamuddin 50050 Kuala Lumpur</p>
Independent Non-Executive Directors
<ul style="list-style-type: none"> <li>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.</li> <li>Based on the criteria on Independent Non-Executive Directors (INEDs) pursuant to the MMLR, the 9 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.</li> <li>Pursuant to the MISC Board Charter, the INEDs are subject to a 9-year cumulative limit on their tenure in MISC without further extension. To-date, none of MISC's INEDs have exceeded the 9-year limit on their tenure.</li> </ul>
Non-Independent Non-Executive Directors
<ul style="list-style-type: none"> <li>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.</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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 2022	
<b>Project Execution and Delivery</b>	<ul style="list-style-type: none"> <li>Monitor the progress of projects currently under construction and focus on delivering them into operations and converting into cash generating assets.</li> </ul>
<b>Strategic Direction</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Monitor the progress of initiatives under the MISC Group Sustainability Strategy for 2021-2025, including commitment towards decarbonisation, promoting the circular economy, health and safety, diversity and inclusion, and values and business ethics.</li> </ul>
<b>Internal Transformations</b>	<ul style="list-style-type: none"> <li>Monitor the Group's various internal transformations to strengthen processes in finance, procurement and contract management, which will underpin the digitalisation of processes.</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Review and monitor the impact of COVID-19, geopolitical conflict, and supply chain disruptions to MISC Group and implement the necessary mitigation plans.</li> <li>Review risk assessments for projects, tenders and transactions.</li> </ul>
<b>Succession Planning</b>	<ul style="list-style-type: none"> <li>Oversee the change of the President/Group CEO to ensure a smooth transition.</li> <li>Oversee the change of Non-Independent Non-Executive Director.</li> <li>Oversee changes to the Management Committee members to ensure continuity.</li> </ul>
<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>Ensure the integrity of MISC's financial and non-financial reporting, internal controls and whistleblowing systems.</li> <li>Review MISC's policies and procedures pursuant to changes to applicable laws and regulations.</li> </ul>

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

All Board members complied with the minimum attendance requirement of at least 50% of the Board meetings held during the financial year pursuant to Paragraph 15.05(3)(c) of the MMLR. The following is a summary of the AGM, Board and Board Committees' meetings attendance in 2022:

Name of Directors	Meeting Attendance in 2022				
	AGM	Board of Directors	BAC	BSRC	NRC
<b>Datuk Abu Huraira Abu Yazid</b> <i>(Chairman)</i>	1/1	13/13	–	–	–
<b>Dato' Sekhar Krishnan</b> <i>(BAC Chairman)</i>	1/1	13/13	5/5	10/10	–
<b>Datuk Nasarudin Md Idris</b> <i>(NRC Chairman)</i>	1/1	13/13	5/5	–	7/7
<sup>(1)</sup> <b>Datin Norazah Mohamed Razali</b> <i>(BSRC Chairperson)</i>	1/1	12/13	–	10/10	7/7
<sup>(2)</sup> <b>Dato' Ab. Halim Mohyiddin</b>	1/1	13/13	3/3	10/10	–
<b>Dato' Rozalila Abdul Rahman</b>	1/1	11/13	–	–	7/7
<b>Mohammad Suhaimi Mohd Yasin</b>	1/1	13/13	–	10/10	–
<b>Chew Liong Kim</b>	1/1	13/13	5/5	–	–
<sup>(3)</sup> <b>Dato' Tengku Marina Tunku Annuar</b>	1/1	13/13	–	7/7	–
<sup>(4)</sup> <b>Liza Mustapha</b>	1/1	10/13	2/2	–	–
<sup>(5)</sup> <b>Mohd Yusri Mohamed Yusof</b>	1/1	5/6	–	–	3/5
<sup>(6)</sup> <b>Wan Shamilah Wan Muhammad Saidi</b>	–	7/7	–	–	–
<sup>(7)</sup> <b>Datuk Yee Yang Chien</b> <i>(former President/Group CEO)</i>	1/1	10/10	----- Invitee -----		
<sup>(8)</sup> <b>Captain Rajalingam Subramaniam</b> <i>(President/Group CEO)</i>	–	3/3	----- Invitee -----		

<sup>(1)</sup> Datin Norazah Mohamed Razali was appointed as NRC member on 1 January 2022.

<sup>(2)</sup> Dato' Ab. Halim Mohyiddin was appointed as BAC member on 1 April 2022.

<sup>(3)</sup> Dato' Tengku Marina Tunku Annuar was appointed as BSRC member on 1 April 2022.

<sup>(4)</sup> Puan Liza Mustapha retired as BAC member on 1 April 2022.

<sup>(5)</sup> Encik Mohd Yusri Mohamed Yusof resigned as Non-Independent Non-Executive Director of MISC and ceased his membership of the NRC on 1 June 2022.

<sup>(6)</sup> Cik Wan Shamilah Wan Muhammad Saidi was appointed as Non-Independent Non-Executive Director of MISC on 1 June 2022.

<sup>(7)</sup> Datuk Yee Yang Chien retired as President/Group CEO of MISC on 30 September 2022.

<sup>(8)</sup> Captain Rajalingam Subramaniam was appointed as President/Group CEO of MISC on 1 October 2022.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. Encik Ausmal Kardin, the Vice President, Legal, Corporate Secretarial and Compliance, is the Company Secretary of MISC Berhad. Puan Noridah Khamis, the General Manager, 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.

### 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 ensuring that they possess the necessary knowledge to enable them to discharge their duties and responsibilities more effectively. All Board members of the Company have attended the Mandatory Accreditation Programme (MAP) as required by the MMLR.

In compliance with Paragraphs 15.08(2) and (3) of the MMLR, the training programmes attended by the Board members in 2022 are as follows:

Name of Directors	Training Attended	Presenter/Organiser	Date
Datuk Abu Huraira Abu Yazid	1. MISC Berhad's Integrated Annual Report 2021 (IAR2021) Plan	MISC Berhad	28 January 2022
	2. Finance Lease Accounting Treatment for MERO 3 Project	EY/MISC Berhad	30 March 2022
	3. Positioning Corporate Malaysia for a Sustainable Future	PWC Malaysia in collaboration with Capital Markets Malaysia	6 April 2022
	4. Roundtable: Exploring a Low Emissions Pathway for Malaysia	Climate Governance Malaysia	21-22 April 2022
	5. Gas and LNG Carrier Markets Outlook	Wood Mackenzie/MISC Berhad	7 June 2022
	6. Offshore Floating Production Market	Rystad Energy/MISC Berhad	9 June 2022
	7. Ship Trends and Technology Developments	Lloyd's Register/MISC Berhad	10 June 2022
	8. Russia Sanctions and Potential Implications to MISC	Steptoe & Johnson HK LLP/MISC Berhad	13 June 2022

Name of Directors	Training Attended	Presenter/Organiser	Date
Datuk Abu Huraira Abu Yazid (Cont'd.)	9. Offshore Wind & Renewables Market Development	IHS Markit/MISC Berhad	13 June 2022
	10. Oil and Tanker Market Outlook	Kpler/MISC Berhad	14 June 2022
	11. Hydrogen Future	DNV	14 June 2022
	12. Geopolitical Risks Facing the Marine Environment	Wills Towers Watson/MISC Berhad	22 June 2022
	13. The Future of Seafarers in the Decade of Transformation	DNV/MISC Berhad	23 June 2022
	14. Global Energy Markets Outlook and Trends	PETRONAS/MISC Berhad	28 June 2022
	15. Malaysia Energy Roundtable: Shaping the Future of Energy, Materials and Infrastructure	PETRONAS in collaboration with World Economic Forum	12 July 2022
	16. CEO Action Network - Round Table series: How to Decarbonise Industries in Malaysia	Climate Governance Malaysia	13 July 2022
	17. A 60-minute Crisis Management – A Guide for Board Members	ICDM	27 July 2022
	18. A 60-minute Guide for Boards: Building a Formidable Tax Corporate Governance Framework	ICDM	4 August 2022
	19. Conversations with Chairmen CGM Event	Climate Governance Malaysia	11 August 2022
	20. Characteristics of ESG & Sustainability Leadership	ICDM	11 August 2022
	21. KLBC Pre-Budget 2023 Dialogue with YB Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Finance, Malaysia 'Strengthening Recovery, Facilitating Reforms Towards Sustainable Socio-Economic Resilience of Keluarga Malaysia'	Kuala Lumpur Business Club	26 August 2022
	22. International Directors Summit	ICDM	26-28 September 2022
	23. World Social Security Forum	CDG Prévoyance/International Social Security Association	24-28 October 2022
	24. PNB Knowledge Forum (III) 2022 – Decarbonised Economy – Accelerating the New Zero Transition	PNB	9 November 2022
	25. PWC's Online Academy Digital Behaviours and Mindset	PWC	7 December 2022
	26. MISC Group Directors' Training FY2022 <ul style="list-style-type: none"> <li>Data Privacy Regulations Impacts to MISC</li> <li>The Great Divide – The State of Cyber Risk Management in the Maritime Industry</li> <li>Taskforce for Nature-related Financial Disclosure (TNFD)</li> <li>Achieving Net Zero Through Internal Carbon Pricing (MISC Group Directors' Training FY2022)</li> </ul>	MISC Berhad	12 December 2022

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Directors	Training Attended	Presenter/Organiser	Date
<b>Dato' Sekhar Krishnan</b>	1. MISC Berhad's Integrated Annual Report 2021 (IAR2021) Plan	MISC	28 January 2022
	2. Accounting for Leases (refresher)	EY/MISC Berhad	30 March 2022
	3. Emerging Trends Talk #2: Cyber Kill Chain and Security Capabilities	ICDM	28 April 2022
	4. Offshore Floating Production Market	Rystad Energy/ MISC Berhad	9 June 2022
	5. Ship Trends and Technology Developments	Lloyd's Register/ MISC Berhad	10 June 2022
	6. Russia Sanctions and Potential Implications to MISC	Steptoe & Johnson HK LLP/MISC Berhad	13 June 2022
	7. Offshore Wind & Renewables Market Development	IHS Markit/ MISC Berhad	13 June 2022
	8. Oil and Tanker Market Outlook	Kpler/ MISC Berhad	14 June 2022
	9. Geopolitical Risks Facing The Marine Environment	Willis Towers Watson/ MISC Berhad	22 June 2022
	10. The Future of Seafarers in the Decade of Transformation	DNV/ MISC Berhad	23 June 2022
	11. International Directors Summit	ICDM	26-28 September 2022
	12. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022
<b>Dato' Ab. Halim Mohyiddin</b>	1. MISC Berhad's Integrated Annual Report 2021 (IAR2021) Plan	MISC Berhad	28 January 2022
	2. Finance Lease Accounting Treatment for MERO 3 Project	EY/MISC Berhad	30 March 2022
	3. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022
<b>Datuk Nasarudin Md Idris</b>	1. MISC Berhad's Integrated Annual Report 2021 (IAR2021) Plan	MISC Berhad	28 January 2022
	2. Finance Lease Accounting Treatment for MERO 3 Project	EY/MISC Berhad	30 March 2022
	3. Gas and LNG carrier markets outlook	Wood Mackenzie/ MISC Berhad	7 June 2022
	4. Offshore Floating Production Market	Rystad Energy/ MISC Berhad	9 June 2022
	5. Ship Trends and Technology Developments	Lloyd's Register/ MISC Berhad	10 June 2022
	6. Russia Sanctions and Potential Implications to MISC	Steptoe & Johnson HK LLP/MISC Berhad	13 June 2022
	7. Offshore Wind & Renewables Market Development	IHS Markit/ MISC Berhad	13 June 2022
	8. Oil and Tanker Market Outlook	Kpler/MISC Berhad	14 June 2022
	9. Geopolitical Risks Facing The Marine Environment	Willis Towers Watson/ MISC Berhad	22 June 2022
	10. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022

Name of Directors	Training Attended	Presenter/Organiser	Date
<b>Dato' Rozalila Abdul Rahman</b>	1. "Masterclass: Climate Governance from A Risk Viewpoint" programme	ICDM	20 January 2022
	2. MISC Berhad's Integrated Annual Report 2021 (IAR2021) Plan	MISC Berhad	29 January 2022
	3. 5 keys to make your ESG and sustainability intentions a reality	Korn Ferry	10 February 2022
	4. EIU's economic, political and policy outlook	EIU	10 February 2022
	5. Understanding Climate Risks: Launch at The ASEAN Climate Governance Network	wixevents.com	14 February 2022
	6. 2022 SMART4SEA Virtual Forum	safety4sea.com	23-24 February 2022
	7. Understanding Sustainability and Climate Risks: A Series of Webinars to Future-proof your Business (Part 4)	hsbc.zoom.us	25 February 2022
	8. ICDM Corporate Social Initiative (CSI) Webinar: Leading for Good	ICDM	1 March 2022
	9. CEO Roundtable: A commitment to Advancing Sustainable Finance	Malaysian Sustainable Finance Initiative	3 March 2022
	10. Causes of Failure in Enterprise Risk Management (ERM) Implementation	IERP	4 March 2022
	11. BNM-FIDE Forum Dialogue: Climate Risk Management and Scenario Analysis	FIDE	8 March 2022
	12. Malaysia Nature-Related Financial Risks Launch	BNM	15 March 2022
	13. Changing the Climate in the Boardroom Webinar & Digital Dialogue	INSEAD Corporate Governance Centre	17 March 2022
	14. Sustainability Series: Sustainability & Impact on Organizations - What Directors Need to Know?	ASB/ICLIF	21 March 2022
	15. Sustainability Exchange Development Series (SEEDS)	World Bank Group	23 March 2022
	16. IERP Virtual Tea Talk- Black Swan Events: Widespread Implications of the Highly Improbable	IERP	25 March 2022
	17. Finance Lease Accounting Treatment for MERO 3 Project	EY/MISC Berhad	30 March 2022
	18. Positioning Corporate Malaysia for a Sustainable Future	PWC	6 April 2022
	19. Tea Talk : Addressing Sustainability Risk using Technology	IERP	15 April 2022
	20. IERP Virtual Tea Talk - Forum on Professional Scepticism for Risk Manager: What does it mean?	IERP	13 May 2022
	21. JUST Series - The Power of ESG Data	Maybank JC3 SC4	19 May 2022
	22. Director Networking Group - Professional Scepticism for Board of Directors	Institute of Enterprise Risk Practitioners	27 May 2022
	23. Gas and LNG carrier markets outlook	Wood Mackenzie/ MISC Berhad	7 June 2022
	24. Offshore Floating Production Market	Rystad Energy/ MISC Berhad	9 June 2022

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Directors	Training Attended	Presenter/Organiser	Date	
<b>Dato' Rozalila Abdul Rahman (Cont'd.)</b>	25. Russia Sanctions and Potential Implications to MISC	Steptoe & Johnson HK LLP/MISC Berhad	13 June 2022	
	26. Offshore Wind & Renewables Market Development	IHS Markit/MISC Berhad	13 June 2022	
	27. Oil and Tanker Market Outlook	Kpler/MISC Berhad	14 June 2022	
	28. Assessing Your Organizational Culture	ICLIF	22 June 2022	
	29. The Future of Seafarers in the Decade of Transformation	DNV/MISC Berhad	23 June 2022	
	30. Global Energy Markets Outlook and Trends	PETRONAS/MISC Berhad	28 June 2022	
	31. ACGN and SFIA's "Conversations on Climate Governance"	Climate Governance Malaysia	5 July 2022	
	32. Conversations on Climate Governance	Climate Governance Malaysia	2&6 August 2022	
	33. 2 <sup>nd</sup> Meeting - 2022 GWOB Mentoring Programme	LeadWomen	22 August 2022	
	34. Getting ahead in a VUCA World I Agile Move	Brandt Business Services	26 August 2022	
	35. "Culture Eats Strategy for Breakfast" - Really? With Charlie Lang	progressu.asia	1 September 2022	
	36. "Chair Masterclass" Programme	ICDM	1 September 2022	
	37. International Directors Summit	ICDM	26-28 September 2022	
	38. Sustainable Supply Chain Financing	MSFI	30 September 2022	
	39. PLC Transformation Programme - Walkthrough of Guidebook 3 on Strengthening Stakeholder Management & Investor Relations	Bursa	6 October 2022	
	40. GWOB: Gender Dynamics in Boardroom (Part2)	LeadWomen	6 October 2022	
	41. Strategic Integration of Sustainability, accelerated by active owners	Eventbrite	12 October 2022	
	42. "Masterclass - Mergers & Acquisitions for Board" Programme	ICDM	17 October 2022	
	43. Carbon Markets and Carbon Pricing Instruments	MSFI	27 October 2022	
	44. MIM Crucial Conversations: Accelerating Sustainability for Corporate Malaysia	Malaysian Institute of Management	7 December 2022	
	45. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022	
	46. CTOS x BNM webinar - Financial Scams	CTOS Team	15 December 2022	
	<b>Datin Norazah Mohamed Razali</b>	1. Sime Darby Property : Sustainable Leadership Workshop (Part 1)	ICDM	6 January 2022
		2. Sime Darby Property : Tax Audit for Property Developers	PWC	17 January 2022
3. Emerging Trends Talk: Integrated Reporting but Disintegrated Thinking		ICDM	23 February 2022	

Name of Directors	Training Attended	Presenter/Organiser	Date
<b>Datin Norazah Mohamed Razali (Cont'd.)</b>	4. AOB Conversation with Audit Committees	Audit Oversight Board/ Securities Commission Malaysia	7 April 2022
	5. ICDM BNRC Dialogue & Networking	ICDM	15 April 2022
	6. PNB Knowledge Forum : Sustainable Investing ESG at the Forefront	PNB Research Institute	21 April 2022
	7. Gas and LNG carrier markets outlook	Wood Mackenzie/MISC Berhad	7 June 2022
	8. Offshore Floating Production Market	Rystad Energy/MISC Berhad	9 June 2022
	9. Ship Trends and Technology Developments	Lloyd's Register/MISC Berhad	10 June 2022
	10. Russia Sanctions and Potential Implications to MISC	Steptoe & Johnson HK LLP/MISC Berhad	13 June 2022
	11. Offshore Wind & Renewables Market Development	IHS Markit/MISC Berhad	13 June 2022
	12. ESG Roundtable Discussion	Willis Towers Watson	15 June 2022
	13. Geopolitical Risks Facing The Marine Environment	Willis Towers Watson/MISC Berhad	22 June 2022
	14. The Future of Seafarers in the Decade of Transformation	DNV/MISC Berhad	23 June 2022
	15. Tech Talk 5G: Empowering Digitalisation for Smart Estate	Malaysian PropTech Association	25 June 2022
	16. Global Energy Markets Outlook and Trends	PETRONAS/MISC Berhad	28 June 2022
	17. Climate Change: Directors' Duties & Governance	ASEAN CGN	5 July 2022
	18. Board Benchmarking for Sustainability	Chartered Accountants Australia and New Zealand	28 July 2022
	19. Values as a Source of Competitive Advantage	ASB	28 July 2022
	20. Sime Darby Property: Sustainable Leadership Workshop (Part 2)	ICDM	4 August 2022
	21. ESG Strategies for Board of Directors & Leadership Team	SIDC	8 August 2022
	22. PNB Knowledge Forum 2022: Tall Buildings and Loving in the Space Age: The Enigma and Convergence of Science and Art	PNB Research Institute	29 August 2022
	23. Directors' Guide to the Risk Maturity Framework (Series 11)	IERP	29 August 2022
	24. International Directors Summit 2022	ICDM	26-28 September 2022
	25. Sime Darby Property: Pre-Board Engagement	ICDM	6 October 2022
	26. PNB Knowledge Forum 2022: Sustainability	PNB Research Institute	9 November 2022
	27. Sime Darby Property: Training and Updates on Cybersecurity	ICDM	22 November 2022

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Directors	Training Attended	Presenter/Organiser	Date
<b>Datin Norazah Mohamed Razali (Cont'd.)</b>	28. Directors' Guide to RMIT (Series 18)	IERP	1 December 2022
	29. Cybersecurity Awareness Programme for Board of Directors and Leadership Team (PNB)	PWC	9 December 2022
	30. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022
<b>Mohammad Suhaimi Mohd Yasin</b>	1. MISC Berhad's Integrated Annual Report 2021 (IAR2021) Plan	MISC Berhad	28 January 2022
	2. Finance Lease Accounting Treatment for MERO 3 Project	EY/MISC Berhad	30 March 2022
	3. Offshore Floating Production Market	Rystad Energy/ MISC Berhad	9 June 2022
	4. Ship Trends and Technology Developments	Lloyd's Register/ MISC Berhad	10 June 2022
	5. Russia Sanctions and Potential Implications to MISC	Steptoe & Johnson HK LLP/MISC Berhad	13 June 2022
	6. Offshore Wind & Renewables Market Development	IHS Markit/ MISC Berhad	13 June 2022
	7. Oil and Tanker Market Outlook	Kpler/MISC Berhad	14 June 2022
	8. Geopolitical Risks Facing The Marine Environment	Willis Towers Watson/ MISC Berhad	22 June 2022
	9. The Future of Seafarers in the Decade of Transformation	DNV/MISC Berhad	23 June 2022
	10. Global Energy Markets Outlook and Trends	PETRONAS/ MISC Berhad	28 June 2022
	11. International Directors Summit	ICDM	26-28 September 2022
	12. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022
<b>Chew Liang Kim</b>	1. MISC Berhad's Integrated Annual Report 2021 (IAR2021) Plan	MISC Berhad	28 January 2022
	2. Finance Lease Accounting Treatment for MERO 3 Project	EY/MISC Berhad	30 March 2022
	3. Gas and LNG carrier markets outlook	Wood Mackenzie/ MISC Berhad	7 June 2022
	4. Offshore Floating Production Market	Rystad Energy/ MISC Berhad	9 June 2022
	5. Ship Trends and Technology Developments	Lloyd's Register/ MISC Berhad	10 June 2022
	6. Russia Sanctions and Potential Implications to MISC	Steptoe & Johnson HK LLP/MISC Berhad	13 June 2022
	7. Offshore Wind & Renewables Market Development	IHS Markit/ MISC Berhad	13 June 2022
	8. Oil and Tanker Market Outlook	Kpler/MISC Berhad	14 June 2022

Name of Directors	Training Attended	Presenter/Organiser	Date
<b>Chew Liang Kim (Cont'd.)</b>	9. Geopolitical Risks Facing The Marine Environment	Willis Towers Watson/ MISC Berhad	22 June 2022
	10. The Future of Seafarers in the Decade of Transformation	DNV/MISC Berhad	23 June 2022
	11. Global Energy Markets Outlook and Trends	PETRONAS/ MISC Berhad	28 June 2022
	12. International Directors Summit	ICDM	26-28 September 2022
	13. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022
<b>Dato' Tengku Marina Tunku Anuar</b>	1. Mandatory Accreditation Programme	ICDM	12-14 April 2022
	2. Gas and LNG carrier markets outlook	Wood Mackenzie/ MISC Berhad	7 June 2022
	3. Offshore Floating Production Market	Rystad Energy/ MISC Berhad	9 June 2022
	4. Offshore Wind & Renewables Market Development	IHS Markit/ MISC Berhad	13 June 2022
	5. Oil and Tanker Market Outlook	Kepler/MISC Berhad	14 June 2022
	6. Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers	Bursa Malaysia Securities Berhad	16 August 2022
	7. International Directors Summit	ICDM	26-28 September 2022
	8. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022
<b>Liza Mustapha</b>	1. CERAWEEK 2022	IHS Markit	7-11 March 2022
	2. CFO Network Update Call: Q2 2022	WBCSD	28 April 2022
	3. Offshore Floating Production Market	Rystad Energy/ MISC Berhad	9 June 2022
	4. MIDF Conversations with Ms. Liza Mustapha, Group Chief Financial Officer of PETRONAS	MIDF	9 June 2022
	5. IIC-SIDC Corporate Governance Conference 2022: Investment Stewardship In Times of Heightened Sustainability Demands	SIDC	23 September 2022
	6. Khazanah Megatrends Forum 2022	Khazanah Nasional Berhad	3 October 2022
	7. J.P. Morgan International Council Client Forum	JP Morgan	27-28 October 2022
	8. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Directors	Training Attended	Presenter/Organiser	Date
<sup>(1)</sup> Wan Shamilah Wan Muhammad Saidi	1. Introduction to Climate Related Disclosures	EY/PETRONAS	22 March 2022
	2. Introduction to Taskforce for Climate Related Financial Disclosures – Financial Management, Disclosures and Practical Applications	Verisk Maplecroft/PETRONAS	11-12 April 2022
	3. Offshore Floating Production Market	Rystad Energy/MISC Berhad	9 June 2022
	4. Ship Trends and Technology Developments	Lloyd's Register/MISC Berhad	10 June 2022
	5. Russia Sanctions and Potential Implications to MISC	Steptoe & Johnson HK LLP/MISC Berhad	13 June 2022
	6. Offshore Wind & Renewables Market Development	IHS Markit/MISC Berhad	13 June 2022
	7. Geopolitical Risks Facing The Marine Environment	Willis Towers Watson/MISC Berhad	22 June 2022
	8. The Future of Seafarers in the Decade of Transformation	DNV/MISC Berhad	23 June 2022
	9. Global Energy Markets Outlook and Trends	PETRONAS/MISC Berhad	28 June 2022
	10. Sustainable Finance	University of Cambridge	12 October-12 December 2022
	11. MISC Group Directors' Training FY2022	MISC Berhad	12 December 2022
<sup>(2)</sup> Captain Rajalingam Subramaniam	1. MISC Berhad's Integrated Annual Report 2021 (IAR2021) Plan	MISC Berhad	28 January 2022
	2. Finance Lease Accounting Treatment for MERO 3 Project	EY/MISC Berhad	30 March 2022
	3. Gas and LNG carrier markets outlook	Wood Mackenzie/MISC Berhad	7 June 2022
	4. Offshore Wind & Renewables Market Development	IHS Markit/MISC Berhad	13 June 2022
	5. Global Energy Markets Outlook and Trends	PETRONAS/MISC Berhad	28 June 2022
	6. International Directors Program – Certificate in Corporate Governance	INSEAD	November 2022

<sup>(1)</sup> Cik Wan Shamilah Wan Muhammad Saidi was appointed to the MISC Board on 1 June 2022.

<sup>(2)</sup> Captain Rajalingam Subramaniam was appointed as President/Group CEO of MISC on 1 October 2022.

### 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), Sustainability Working Committees and Corporate Sustainability Team.

In 2022, the Board had approved the following carbon targets and commitment for the MISC Group:

- Medium-term: 50% Greenhouse Gas intensity reduction by 2030; and
- Long-term: Net zero Greenhouse Gas emissions by 2050.

Pursuant thereto, MISC has embarked on various sustainability initiatives to achieve its medium and long-term carbon targets and commitment.

For more information on MISC's sustainability initiatives in 2022, please refer to the MISC Sustainability Report 2022.

### 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.

A Whistleblowing structure to review and manage any whistleblowing reports is in place, which includes a whistleblowing framework and management process. The Chairman of the BAC is also the Chairman of the Whistleblowing Committee 1 (WBC 1). The WBC 1 reviews reports made against any member of Senior Management whereas the Whistleblowing Committee 2 (WBC 2) reviews reports made against any other employee of the Company. The Board, through the BAC, reviews whistleblowing reports on a quarterly basis.

Appended below are MISC's ethics and compliance initiatives in 2022:

#### Policies and procedures

##### New Procedures

- LCSC Corporate Data Privacy Procedure

##### Revised Procedures

- Third Party Compliance Due Diligence Operational Guidelines

##### Revised Advisory

- Annual Regulatory and Legislation Register review and update
- MISC Group Compliance and Ethics Survey 2022
- Modern Slavery Statement 2022
- Advisories and reviews of compliance clauses related to the following Critical Legal Areas:
  - » Ethics and Integrity
  - » Personal Data Protection
  - » Sanctions
  - » Export Control
  - » Competition
  - » Human Rights and Modern Slavery

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Communication and training

### See.Speak.Support

- Upholding Integrity: A Perspective of Whistleblowing Management
- Balancing Data Security and User Experience
- Sexual Harassment at Workplace
- Anti-Money Laundering: What Businesses Should Look Out For?

### Code of Conduct and Business Ethics (CoBE) and Critical Legal Areas

#### Trainings:

- Annual CoBE Training for Third Party Service Providers
- Annual CoBE Refresher Training for MISC Board members and employees
- Training on Critical Legal Areas:
  - » Raid Protocol Training
  - » Third Party Compliance Due Diligence Operational Guidelines Trainings
  - » US Sanctions Against Russia Training
  - » Russia Sanctions and Potential Implications to MISC
  - » Data Protection Training
  - » Data Privacy Regulations Impacts to MISC
  - » Export Control Training

#### Communications:

- Regular communications related to CoBE and Critical Legal Areas through various channels

## Monitoring & Assurance

### Compliance Management Framework

- Anti-Bribery Management System ("ABMS") – ISO 37001 implementation
- Management of ISO ABMS internal and external audit activities
- Management of Compliance Scorecard (Group and Divisional level)
- Bi-annual compliance attestation by Head of Department of Business / Service Units
- MISC Group Annual myAssurance attestation programme on critical and operational legal areas
- Bribery and Corruption Risk Management and monitoring of risk mitigation controls
- Management of whistleblowing channels and cases
- Management of employee conflict of interest declarations and risk mitigations
- Compliance management and review (compliance initiatives and action plans, procedures and improvement activities)
- Compliance Champions appointment in Business / Service Units and Subsidiaries
- Compliance and Ethics feedback form
- 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

### Reporting

- Quarterly reporting to BSRC and BAC, and quarterly reporting to PETRONAS Integrity Governance Unit
- Digitalisation of Compliance Monitoring and Assurance Activities

For more information on MISC's ethics and compliance initiatives in 2022, please refer to the MISC Sustainability Report 2022, the BAC Report and BSRC Report on pages 203 to 217 of this Integrated Annual Report.

For more information on MISC's CoBE, Anti-Bribery and Corruption Manual, Whistleblowing Policy and No Gift Policy, please visit [www.misc.com.my](http://www.misc.com.my).

## 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, details as follows:

Board Chairman Retainer Fees	RM240,000 per annum
Board Member Retainer Fees	RM120,000 per annum
Attendance Fee	RM3,500 per meeting

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

For the financial year ended 31 December 2022, details of the Directors' remuneration (excluding the President/Group CEO) are as follows:

Directors	Directors' Fees (inclusive of Annual Fees and Meeting Allowance)		Benefits-in-kind (RM)	Total (RM)
	By MISC (RM)	By Subsidiaries (RM)		
<b>Datuk Abu Huraira Abu Yazid</b>	289,000.00	Nil	28,648.64	317,648.64
<b>Dato' Sekhar Krishnan</b>	221,500.00	Nil	4,406.39	225,906.39
<b>Datuk Nasarudin Md Idris</b>	211,000.00	526,341.00	6,000.00	743,341.00
<b>Dato' Ab. Halim Mohyiddin</b>	214,500.00	Nil	1,419.53	215,919.53
<b>Datin Norazah Mohamed Razali</b>	225,000.00	Nil	1,928.02	226,928.02
<b>Dato' Rozalila Abdul Rahman</b>	186,500.00	Nil	6,000.00	192,500.00
<b>Mohammad Suhaimi Mohd Yasin</b>	204,000.00	Nil	6,000.00	210,000.00
<b>Chew Liong Kim</b>	186,500.00	Nil	2,625.85	189,125.85
<b>Dato' Tengku Marina Tunku Anuar</b>	193,500.00	Nil	3,773.81	197,273.81
<b>Liza Mustapha*</b>	165,500.00	Nil	Nil	165,500.00
<b>Mohd Yusri Mohamed Yusof*</b> <i>(resigned as NINED on 1 June 2022)</i>	78,000.00	Nil	Nil	78,000.00
<b>Wan Shamilah Wan Muhammad Saidi*</b> <i>(appointed as NINED on 1 June 2022)</i>	98,000.00	Nil	Nil	98,000.00
<b>Total</b>	<b>2,273,000.00</b>	<b>526,341.00</b>	<b>60,802.24</b>	<b>2,860,143.24</b>

- \* Fees paid to PETRONAS

During the year under review, the former President/Group CEO of MISC, Datuk Yee Yang Chien, and the current President/Group CEO of MISC, Captain Rajalingam Subramaniam, received a total remuneration of RM3,103,333.00 in salary, other emoluments and benefits-in-kind. As an Executive Director, the President/Group CEO is not entitled to Directors' fees or any meeting attendance allowance.

For more information on the remuneration structure for MISC's Directors, please refer to the NRC Report on pages 195 to 202 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. All members of the BAC are financially literate, competent and are able to scrutinise the Company's financial reporting process, transactions and financial information.

The Terms of Reference of the BAC was revised effective 20 June 2022 in alignment with the revised MISC Internal Audit Charter, namely to expand the BAC's function to cover the endorsement of performance evaluation and remuneration for the Head of Group Internal Audit in consultation with the President/Group CEO.

*For more information on the BAC and how it has met its responsibilities in 2022, please refer to the BAC Report on pages 203 to 211 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 2022, please refer to the BSRC Report on pages 212 to 217 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 Group Internal Audit.

*For more information on MISC's risk management and internal control frameworks, please refer to the BAC Report on pages 203 to 211 of this Integrated Annual Report, the BSRC Report on pages 212 to 217 of this Integrated Annual Report, as well as the Statement on Risk Management and Internal Control on pages 218 to 235 of this Integrated Annual Report.*

### 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 2022, 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.misc.com.my](http://www.misc.com.my);
- Analyst briefings following the announcement of quarterly financial reports;
- Periodic engagement surveys;
- Industry forums/conferences;
- Site visits; and
- Community engagement programs and initiatives.

*For more information on MISC's engagement with stakeholders in 2022, please refer to the MISC Sustainability Report 2022.*

#### 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 MCGG. 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 2022 is based on the <IR> Framework 2021.

#### Conduct of Annual General Meeting (AGM)

The MISC AGM is the principal forum for dialogue with our shareholders 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.

The COVID-19 pandemic has prompted MISC to re-imagine its hosting of the AGM. 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;

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

- 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 prior to the formal proceedings of 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.

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 2022, all 12 Board members attended the AGM. The Notice of AGM is issued 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 circulated to shareholders within 30 days after the AGM.

This CG Overview Statement is made in accordance with the resolution of the Board of Directors passed on 23 February 2023.

## NOMINATION & REMUNERATION COMMITTEE REPORT



**DATUK NASARUDIN MD IDRIS**  
Chairman  
Nomination & Remuneration Committee

### CHAIRMAN'S REMARKS

The hallmark of any great organisation is the talent that drives its success. In 2022, the Nomination & Remuneration Committee (NRC) continued to focus on ensuring that MISC is led, both within the Board of Directors (Board) and the senior management team, by highly qualified and capable individuals.

We welcomed a new President/Group CEO, Captain Rajalingam Subramaniam, who was appointed on 1 October 2022 to helm MISC as it continues to create value for shareholders and stakeholders. Captain Rajalingam is a home-grown talent who began his career at sea, came ashore in 1996, and has since held various positions in the MISC Group. The smooth leadership transition from our previous President/Group CEO, Datuk Yee Yang Chien to Captain Rajalingam, was overseen by the NRC and our Board, and is a testament to our rigorous succession planning and reinforces the importance of our talent development agenda.

Another important matter which the NRC looked into was the Board Effectiveness Evaluation (BEE). An independent consultant was appointed to facilitate the BEE and to assess the performance and effectiveness of the Board, Board Committees and individual Directors of MISC to ensure that they are functioning well and meeting the needs of the organisation. The independent consultant was able to provide objective insight into the focus areas of the Board, the breadth and depth of the Board's knowledge, skills and mindsets, Board culture and

partnership with senior management, as well as the effectiveness and efficiency of the Board's processes. The outcome of the BEE indicates amongst others, that whilst the Board's focus is on the Group's 'Perform' agenda of driving the existing business streams to extract maximum value for shareholders, going forward, the Board will be allocating more time on the Group's 'Transform' agenda of evolving the existing business model and identifying new income drivers and growth engines, in light of the global energy transition and decarbonisation.

The NRC also reviewed the bench strength of senior management positions, and we are satisfied with the readiness levels of candidates identified for such positions, particularly at the Management Committee. Additionally, the NRC endorsed the revamp of the Group's performance rating scale for a more focused approach to ensure that individual employee performance reviews drive a high performance culture within the organisation.

The periodic review of the Group Balanced Scorecard to track MISC's performance based on Key Performance Indicators (KPIs) for 2022, as well as proposed KPIs for 2023, was another key focus area of the NRC. KPIs related to sustainability matters have been included to align with MISC's Sustainability Strategy.

Additionally, we reviewed the training needs for the Group's directors. ESG formed the main thrust of our training topics, as we identified how MISC would embed financial, economic, environmental and social sustainability matters within the organisation.

We strongly believe that the ability of any great organisation to continue a strong growth trajectory is determined by a workforce who are motivated and inspired in their daily jobs. Guided by this belief, we step into 2023 firm in our commitment to continue with our rigorous succession planning process, particularly for our Independent Non-Executive Directors who are approaching the 9-year limit of their tenure on the MISC Board.

On behalf of the NRC, I would like to take this opportunity to convey our appreciation to Encik Mohd Yusri Mohamed Yusof who resigned as a member of the NRC and from the Board on 1 June 2022. I also wish to express our gratitude to Datuk Yee Yang Chien for his valuable contribution and service to MISC.

**DATUK NASARUDIN MD IDRIS**  
Chairman  
Nomination & Remuneration Committee

# NOMINATION & REMUNERATION COMMITTEE REPORT

## Dear Shareholders,

Effective 1 January 2013, the Nomination Committee and Remuneration Committee were combined to form the Nomination & Remuneration Committee (NRC).

## Composition

There are three members on the NRC, all of whom are Independent Non-Executive Directors, which complies with the requirements of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities). As at the date of this report, the composition of the NRC is as follows:

<sup>(1)</sup> Members	Date of appointment as NRC member
<b>DATUK NASARUDIN MD IDRIS</b> Chairman Independent Non-Executive Director	20 April 2017 (Re-designated as Chairman on 1 September 2017)
<b>DATO' ROZALILA ABDUL RAHMAN</b> Member Independent Non-Executive Director	9 December 2019
<b>DATIN NORAZAH MOHAMED RAZALI</b> Member Independent Non-Executive Director	1 January 2022

<sup>(1)</sup> Encik Mohd Yusri Mohamed Yusof resigned as Non-Independent Non-Executive Director of MISC and ceased being a member of the NRC on 1 June 2022.

## Terms of Reference

The NRC 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 2021).

For more information on the NRC's TOR, please refer to MISC's corporate website at [www.misc.com.my](http://www.misc.com.my).

## Meetings

The NRC met seven times in 2022. Details of each NRC member's attendance are as follows:

Members	Number of meetings attended in 2022
<b>Datuk Nasarudin Md Idris</b>	7 out of 7
<b>Dato' Rozalila Abdul Rahman</b>	7 out of 7
<b>Datin Norazah Mohamed Razali</b>	7 out of 7
<sup>(1)</sup> <b>Mohd Yusri Mohamed Yusof</b>	3 out of 5

<sup>(1)</sup> Encik Mohd Yusri Mohamed Yusof resigned as Non-Independent Non-Executive Director of MISC and ceased being a member of the NRC on 1 June 2022.

## Overview of matters addressed at NRC meetings in 2022

Half-yearly
<ul style="list-style-type: none"> <li>Updates on Human Resource Dashboard for sea and shore staff</li> <li>MISC Group Balanced Scorecard mid-year review</li> </ul>
Annually
<ul style="list-style-type: none"> <li>Annual succession planning for MISC Group (Board and senior management)</li> <li>Review of the Board and Board Committees' composition and diversity</li> <li>Proposed MISC Group Balanced Scorecard</li> <li>Proposed Board Key Performance Indicators (KPIs)</li> <li>MISC Group Balanced Scorecard results</li> <li>Proposed remuneration plans for MISC Group</li> <li>Proposed re-election of Directors at the AGM</li> <li>Content for the Integrated Annual Report</li> <li>Proposed topics for Directors' training</li> </ul>
Special
<ul style="list-style-type: none"> <li>Adoption of Directors' Fit &amp; Proper Policy</li> <li>Proposed contract renewal for Management Committee (MC) member</li> <li>Independent Board Effectiveness Evaluation</li> </ul>

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

NRC meetings together with the tentative agendas are scheduled in advance of any new financial year to allow the NRC members to plan ahead and incorporate the year's meetings into their respective schedules. The agenda and meeting papers are distributed to the NRC 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 access to the papers electronically, anytime and anywhere. This practice is also consistent with the Board's and Company's commitment to sustainable practices.

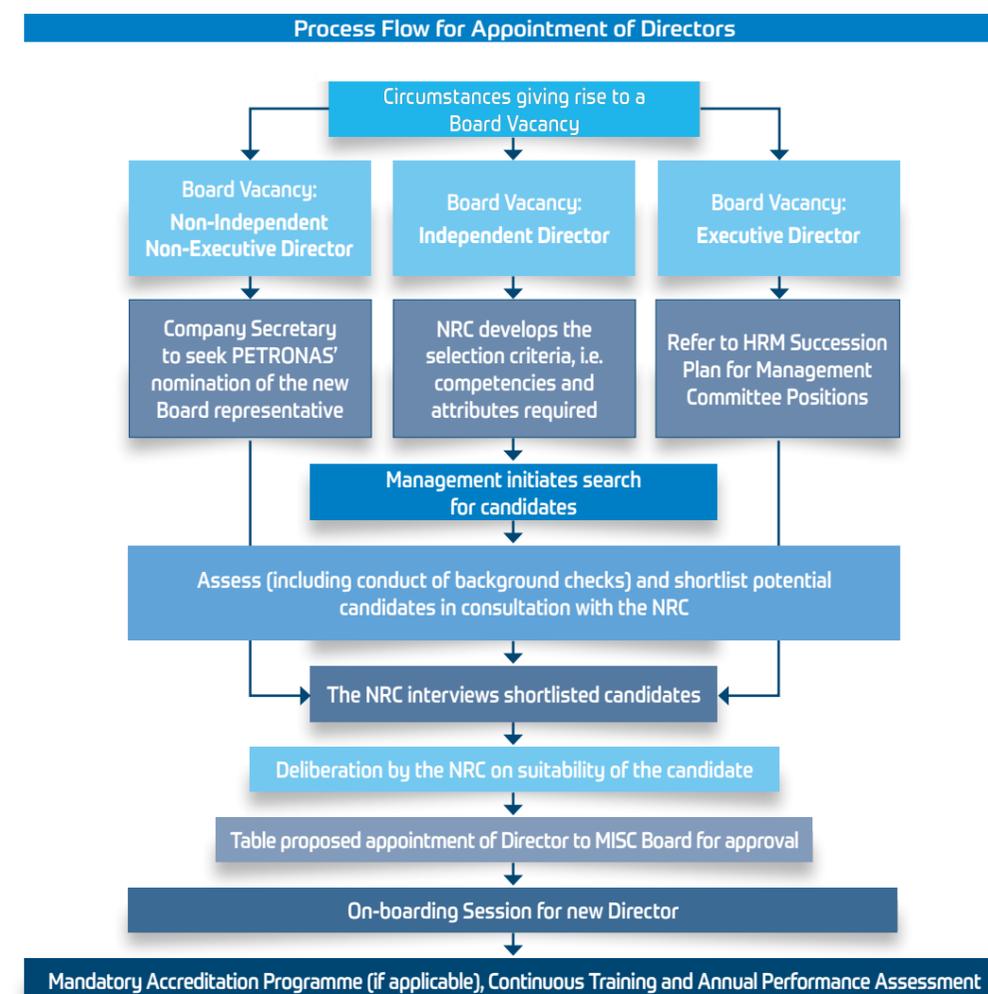
All proceedings of the NRC meetings are duly recorded in the minutes and are properly kept by the Company Secretary.

## Functions of the NRC and related activities in 2022

### i. Board membership - Appointment/Re-election of Directors and succession planning

The NRC has the responsibility for ensuring appropriate succession planning of Directors and for 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.

The nomination of new Board members follows the following Board appointment process:



# NOMINATION & REMUNERATION COMMITTEE REPORT

In sourcing for suitable candidates, the Company has used 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 Independent Non-Executive Directors (INEDs) are first tabled to the NRC for consideration and evaluated based on merit, suitability with the Company's objectives and required attributes, including the fit and proper criteria, which is further reinforced with the adoption of the MISC Directors' Fit and Proper Policy. 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.misc.com.my](http://www.misc.com.my).

In 2022, the following changes in the composition of the MISC Board of Directors took place:

Name	Nature of change	Effective date	Source of candidacy
Dato' Tengku Marina Tunku Annuar <i>(Independent Non-Executive Director)</i>	Appointment	1 January 2022	Independent search firm
Mohd Yusri Mohamed Yusof <i>(Non-Independent Non-Executive Director)</i>	Resignation	1 June 2022	n/a
Wan Shamilah Wan Muhammad Saidi <i>(Non-Independent Non-Executive Director)</i>	Appointment	1 June 2022	Nomination by the major shareholder
Datuk Yee Yang Chien <i>(Non-Independent Executive Director/ President/Group CEO)</i>	Retirement	30 September 2022	n/a
Captain Rajalingam Subramaniam <i>(Non-Independent Executive Director/ President/Group CEO)</i>	Appointment	1 October 2022	Internal succession planning

The successful execution of the aforementioned changes to the composition of the MISC Board of Directors in 2022 has enabled the NRC to achieve the following objectives:

- (i) Make positive progress with the Board renewal process and succession plan.
- (ii) Bolster the diversity of skills and experience represented on the Board, especially in the areas of sustainability and ESG.
- (iii) Ensure a smooth transition in leadership at the Management level.
- (iv) Strengthen the Board's gender diversity by increasing the percentage of female directors on the Board from 30% to 42%.

The NRC 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 Rules 21.7 and 21.8 of MISC's Constitution. At the forthcoming 54<sup>th</sup> 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 21.7	Directors retiring pursuant to Rule 21.8
<ul style="list-style-type: none"> <li>• Wan Shamilah Wan Muhammad Saidi</li> <li>• Captain Rajalingam Subramaniam</li> </ul>	<ul style="list-style-type: none"> <li>• Liza Mustapha</li> <li>• Datin Norazah Mohamed Razali</li> <li>• Mohammad Suhaimi Mohd Yasin</li> </ul>

Based on the latest Board performance evaluation and the NRC's review of the respective Directors' Fit and Proper Declaration Forms, the NRC 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 54<sup>th</sup> AGM.

In line with the MCGG 2021, the Board Charter includes a policy which limits the tenure of INEDs to nine years without further extension as well as the Board Diversity Policy.

For more information on the MISC Board Charter and Board Diversity Policy, please visit [www.misc.com.my](http://www.misc.com.my).

## ii. Board performance evaluation – Board, Board Committees, and individual Directors' assessment

In 2022, MISC had engaged an independent expert to facilitate an independent assessment of the Board, Board Committees, and individual Directors' performance (Board Effectiveness Evaluation) in line with the MCGG 2021. Salient features of the independent Board Effectiveness Evaluation which was conducted are as follows:

<b>Framework and Areas of Insight</b>	<p><b>Leadership: How I contribute to the Board</b></p> <ul style="list-style-type: none"> <li>• How the Board and Board Committees are led by the Board Chairman and respective Board Committee Chairs</li> <li>• The contribution and distinctive value-add of each Director</li> </ul> <p><b>Purpose: What the Board focuses on and why</b></p> <ul style="list-style-type: none"> <li>• Alignment, belief and buy-in on the critical 'Perform' and 'Transform' priorities</li> <li>• The role of the Board</li> </ul> <p><b>People: Who sits at the table</b></p> <ul style="list-style-type: none"> <li>• Does the Board have the required diversity of experience, expertise and mindsets to be an asset on both the 'Perform' and 'Transform' priorities</li> </ul> <p><b>Partnership: How the Board partners with Management</b></p> <ul style="list-style-type: none"> <li>• Is there a healthy culture and partnership between the Board and Management which is founded on trust, transparency, candour, and constructive challenge</li> </ul> <p><b>Value-add: Contribution to Perform-Transform priorities</b></p> <ul style="list-style-type: none"> <li>• How effective is the Board at providing value to MISC's Perform-Transform priorities</li> </ul> <p><b>Processes: How work gets done</b></p> <ul style="list-style-type: none"> <li>• How effective are the Board practices and processes to ensure where the Board spends its time, how the Board receives information and makes decisions are efficient and value-adding</li> </ul>
<b>Methodology</b>	<ul style="list-style-type: none"> <li>• Online Board effectiveness evaluations completed by both the MISC Board members and Management Committee (MC) members.</li> <li>• Discovery interviews with all MISC Board and MC members.</li> <li>• Tabling of the Board Effectiveness Evaluation Report to the NRC and the Board to review and discuss the findings and recommendations</li> </ul>

Overall, the Board Effectiveness Evaluation yielded positive feedback on the effectiveness of the Board, Board Committees and individual Directors as well as recommendations for improvements going forward.

## NOMINATION & REMUNERATION COMMITTEE REPORT

### iii. Senior Management - Appointment and succession planning

The NRC 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 NRC deliberated and recommended the following changes to the MC composition:

Captain Rajalingam Subramaniam	Appointed as President/Group CEO of MISC
Alexander James Brigden	Appointed as Vice President, Offshore Business
Ausmal Kardin	Re-appointment as Vice President, Legal, Corporate Secretarial & Compliance

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

1. Identification of critical positions within the Group based on three criteria	<ul style="list-style-type: none"> <li>Impact on business results</li> <li>Sustaining the business</li> <li>Uniqueness of positions</li> </ul>
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"> <li>Achievement: Sustainability of performance</li> <li>Ability: Competence to deliver successfully</li> <li>Agility: Traits and values which help adaptability</li> <li>Aspiration: Passion, tenacity and commitment for self and the organisation</li> </ul>
3. Deliberation and identification of successors by 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 above 24 months	<ul style="list-style-type: none"> <li>Capabilities: Leadership and functional competencies</li> <li>Contribution: Results orientation based on performance ratings and key highlights during the year</li> <li>Cultural Fit: Demonstration of cultural beliefs and own career and personal aspirations</li> </ul>
4. Formulation of an Individual Development Plan for each individual.	

### 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:

	Monthly Fees	Meeting allowance per attendance			
		Board	Board Audit Committee	Nomination & Remuneration Committee	Board Sustainability & Risk Committee
<b>Chairman</b>	RM20,000				
<b>Member</b>	RM10,000	RM3,500	RM3,500	RM3,500	RM3,500

*Independent Non-Executive Directors 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 172 to 194 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. As an Executive Director, he is not entitled to receive Directors' fees or meeting allowance.

The MC members' remuneration is based on salary bands reflective of industry standards and categorised into two categories, i.e. MC 1 (for business segment heads) and MC 2 (for division heads).

### v. Company and President/Group CEO performance appraisal

The Company's performance against the FY2022 Balanced Scorecard was deliberated by the NRC. 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
- Health, Safety, Security and Environment (HSSE)
- People Development and Ethics

Based on the Company's performance against the FY2022 Balanced Scorecard, the NRC also deliberated on the individual performance of the President/Group CEO of the Company for FY2022 and made the appropriate recommendations to the Board for approval.

## NOMINATION & REMUNERATION COMMITTEE REPORT

### SUMMARY OF THE NRC'S WORK IN 2022

#### Board membership

- Considered matters relating to the appointment of Directors.
- Reviewed the Board's diversity based on the Board Diversity Policy and the Company's needs.
- Recommended the Directors who are eligible for re-election and re-appointment at the AGM.

#### Succession planning

- Maintained oversight of the change of MISC's President/Group CEO to ensure a smooth leadership transition.
- Reviewed and recommended the appointment of new Directors.
- Reviewed the MISC Board and Board Committees' composition and recommended changes to the composition of the BAC to align with the MCCG 2021.
- 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 FY2021 Balanced Scorecard results.
- Reviewed and endorsed the proposed performance bonus for Appraisal Year 2021.
- Reviewed and endorsed the Group's FY2023 Balanced Scorecard.

#### Board performance evaluation

- Maintained oversight of the Board Effectiveness Evaluation facilitated by an independent expert.
- Reviewed the independent Board Effectiveness Evaluation Report.
- Reviewed and endorsed the Board KPIs for FY2023.

#### Training and development

Reviewed and endorsed topics for the FY2022 Annual Directors' Training.

#### Annual reporting

Reviewed and endorsed the disclosures in the NRC Report for the 2021 Integrated Annual Report.

#### DATUK NASARUDIN MD IDRIS

Chairman

Nomination & Remuneration Committee

## BOARD AUDIT COMMITTEE REPORT



**DATO' SEKHAR KRISHNAN**  
Chairman  
Board Audit Committee

### CHAIRMAN'S REMARKS

I am pleased to share the Board Audit Committee (BAC) Report for 2022, highlighting the key areas of focus of the BAC during the year.

Over the course of the year, one key focus area of the BAC was the continued oversight of the internal audit function. An external review of MISC Group's internal audit process was conducted by the Institute of Internal Auditors Malaysia (IIAM). The outcome of the IIAM assessment indicated that MISC is in full compliance with best practices in terms of audit function, processes and standards.

Another key area that the BAC focused on was the Regulatory & Legislation Register (Register). The Register was established in 2021 to ensure that MISC adheres to all applicable statutory requirements and provides the Board and Management with assurances on the Group's compliance with all applicable laws and regulations.

Maintaining strict oversight on project execution, the BAC reviewed performance in terms of percentage of completion, as well as total project costs for major projects under execution as part of our review of MISC's financial results. By having at least one member that sits on both the BAC and the Board Sustainability & Risk Committee, we are able to have effective oversight of major ongoing projects.

For 2023, the BAC has endorsed the MISC Group Annual Internal Audit Plan to also encompass the Environmental, Social and Governance (ESG) and sustainability agenda that MISC is committed to. Group Internal Audit will conduct a review of information and data gathered to ensure that MISC's reporting is accurate and reliable.

Finally, on behalf of the BAC, I would like to convey our appreciation to Puan Liza Mustapha, who retired from the BAC on 1 April 2022, for all her contributions throughout her tenure. I also take this opportunity to welcome Dato' Ab. Halim Mohyiddin, who became a member of the BAC from the same date. The aforementioned changes resulted in the BAC comprising solely of Independent Non-Executive Directors (INEDs), in line with Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance (MCCG) 2021.

**DATO' SEKHAR KRISHNAN**  
Chairman  
Board Audit Committee

# BOARD AUDIT COMMITTEE REPORT

## 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, and whistleblowing policy and management process of the Group.

## Composition

The BAC comprises of four members, all of whom are Independent Non-Executive Directors of the Company. The Chairman of the BAC, Dato' Sekhar Krishnan, is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). The composition of the BAC and qualifications of its members comply with Paragraph 15.09(1) of the Main Market Listing Requirements (MMLR) of Bursa Securities. Effective 1 April 2022, the composition of the BAC meets Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance (MCCG) by being comprised of only independent directors.

As at the date of this report, the composition of the BAC is as follows:

<sup>(1)</sup> Members	Date of appointment as BAC member
<b>DATO' SEK HAR KRISHNAN</b> Chairman Senior Independent Non-Executive Director	1 March 2015 (Re-designated as Chairman on 28 May 2015)
<b>DATUK NASARUDIN MD IDRIS</b> Member Independent Non-Executive Director	20 April 2017
<b>CHEW LIONG KIM</b> Member Independent Non-Executive Director	1 January 2022
<b>DATO' AB. HALIM MOHYIDDIN</b> Member Independent Non-Executive Director	1 April 2022

<sup>(1)</sup> Puan Liza Mustapha, a Non-Independent Non-Executive Director of MISC, retired from the BAC on 1 April 2022.

## 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. The BAC's TOR was revised effective 20 June 2022 in alignment with the revised MISC Internal Audit Charter, namely to expand the BAC's function to cover the endorsement of the annual performance evaluation and remuneration for the Head of Group Internal Audit in consultation with the President/Group CEO.

For more information on the BAC's TOR, please refer to MISC's corporate website at [www.misc.com.my](http://www.misc.com.my).

## Meetings

The BAC met five times in 2022. Details of each BAC member's attendance are as follows:

Members	Number of meetings attended in 2022
<b>Dato' Sekhar Krishnan</b>	5 out of 5
<b>Datuk Nasarudin Md Idris</b>	5 out of 5
<b>Chew Liong Kim</b>	5 out of 5
<sup>(1)</sup> <b>Dato' Ab. Halim Mohyiddin</b>	3 out of 3
<sup>(2)</sup> <b>Liza Mustapha</b>	2 out of 2

<sup>(1)</sup> Dato' Ab. Halim Mohyiddin was appointed as a member of the BAC on 1 April 2022.

<sup>(2)</sup> Puan Liza Mustapha, a Non-Independent Non-Executive Director of MISC, retired from the BAC on 1 April 2022.

## Overview of matters addressed at BAC meetings in 2022

Quarterly
<ul style="list-style-type: none"> <li>Unaudited quarterly financial results</li> <li>Group Internal Audit (GIA) reports</li> <li>GIA quarterly audit status (closure) reports</li> <li>Related party &amp; recurrent related party transactions</li> <li>Whistleblowing updates</li> <li>Summary of special engagements performed by GIA</li> </ul>
Half-yearly
<ul style="list-style-type: none"> <li>Private sessions with the external auditors</li> <li>Group Health, Safety, Security and Environment (GHSSE) audit and assurance reports</li> <li>GIA performance review</li> </ul>
Annually
<ul style="list-style-type: none"> <li>External audit plan</li> <li>External audit results</li> <li>Audited financial statements</li> <li>Assessment of external auditors</li> <li>GIA audit plan</li> <li>GHSSE audit and assurance plan</li> <li>Content for the Integrated Annual Report</li> </ul>
Special
<ul style="list-style-type: none"> <li>Revision of BAC Terms of Reference</li> <li>Internal finance, procurement and contract management transformation initiatives</li> </ul>

The President/Group CEO is invited to attend the BAC meetings to facilitate the discussion, 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, GIA of PETRONAS or his 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.

BAC meetings together with the tentative agendas are scheduled in advance of any new financial year to allow the BAC members to plan ahead and incorporate the year's meetings into their respective schedules. 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, anytime and anywhere. This practice also ensures consistency with the Board's and Company's commitment to sustainable practices.

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

## SUMMARY OF THE BAC'S WORK IN 2022

Appended below is a summary of the BAC's work in 2022, in discharging its functions and duties:

### Financial Reporting

- Reviewed 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), the Bursa Main Market Listing Requirements (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, Finance.

### Internal Audit

- Reviewed internal audit reports issued by Group Internal Audit (GIA) based on the approved Annual Internal Audit Plan (AIAP).
- Reviewed the adequacy and effectiveness of action plans provided by Management on the deliberated audit reports.
- Reviewed and endorsed GIA's AIAP for FY2023 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's activities.
- Conducted the yearly assessments of GIA's performance.

## BOARD AUDIT COMMITTEE REPORT

- 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 of AET Pte. Ltd. (ARMC) minutes of meetings for an overview of the state of internal control systems of those subsidiaries.
- Reviewed the result of the External Quality Assessment Review performed on GIA by the Institute of Internal Auditors Malaysia (IIAM).
- Reviewed and endorsed amendments to the Internal Audit Charter for alignment with the International Professional Practices Framework (IPPF) requirements issued by the Institute of Internal Auditors (IIA).
- 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

FY2022 Key Audit Matters (KAM) addressed by the BAC		
KAM	Matters Considered	BAC Comments
Impairment of non-current assets	<ul style="list-style-type: none"> <li>The Group's assets under review includes goodwill as well as ships, offshore floating assets, other property, plant and equipment, right-of-use assets and other intangible assets that had indication of impairment.</li> <li>Management has carried out impairment review on its assets based on value-in-use (VIU) analysis and market values obtained from independent valuers.</li> <li>In deriving the VIU, Management is required to make estimates on the expected future cash flows, appropriate discount rates and other key assumptions.</li> </ul>	The BAC concurred with Management's assessment on the impairment of assets.
Recognition of revenue and cost of construction and marine projects	<ul style="list-style-type: none"> <li>A significant portion of the Group's revenues and profits are derived from long-term construction and marine projects which span more than one accounting period.</li> <li>The Group uses the percentage-of-completion method in accounting for these long-term contracts.</li> <li>Management applies significant judgement and estimation in determining the stage of physical completion in respect of heavy engineering and marine projects, and in estimating total project costs.</li> </ul>	The BAC concurred with Management's assessment on the percentage of completion of projects and estimated total project costs.
Contingent liability from material litigation	<ul style="list-style-type: none"> <li>The eventual outcome of claims is uncertain and the positions taken by Management are based on the application of material judgement and estimation.</li> <li>Management has recorded provision for claims based on its assessment on the facts and circumstances available.</li> </ul>	The BAC concurred with Management's assessment on the sufficiency of provision for claims.

For more information on the KAM, please refer to the Independent Auditors' Report in the Financial Report.

- Reviewed the results and issues arising from the external auditors' audit, including the KAM and the resolution of issues highlighted in their report to the BAC and Management's responses thereto.
- The BAC had two private meetings with the external auditors without the presence of Management during the year under review (i.e. on 11 February 2022 and 14 November 2022) 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 endorsed the external auditors' terms of engagement, audit plan, scope and proposed fees for FY2022.
- 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 FY2022 Assessment of External Auditors.

The Group also engages the external auditors for other non-audit works as and when required. For FY2022, the amount of non-audit fees incurred for services rendered by the external auditors or their affiliates to the Group is RM1,410,000, which includes limited review of semi-annual financial results and tax advisory. The Group also paid RM975,000 to EY PLT for other audit services incurred in relation to the issuance of Global Medium Term Note (GMTN) in the financial year ended 31 December 2022.

To ensure that the external auditors' independence is not impaired, the Audit Engagement Partner in charge of the Company is changed every seven years and is required to observe a cooling-off period of five years before being re-appointed, which is in line with the recommendation by the Malaysian Institute of Accountants (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

- Noted the introduction of Global Minimum Tax.

### Corporate Governance and Regulatory Compliance

- Reviewed and deliberated on the Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs) reports on a quarterly basis.
- Reviewed and recommended to the Board the SORMIC (particularly items related to internal controls), BAC Report and Additional Compliance Information for inclusion in the Integrated Annual Report 2021.
- 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 FY2023.
- Reviewed and endorsed proposed amendments to the BAC TOR to align with the revised MISC Internal Audit Charter, for approval by the Board.

## BOARD AUDIT COMMITTEE REPORT

### 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 the Group.

The Head of GIA reports functionally to the BAC and administratively to the President/Group CEO of MISC. Mohammad Romzi Shafie is the Head of GIA. He is a Fellow Member of the Institute of Chartered Accountants in England and Wales (ICAEW) and holds a Bachelor of Science (Honours) in Accounting from the University of Wales, 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, 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 following audits as per the approved internal audit plan:

#### Subsidiary

- Audit on AET Chartering, Commercial Operations and Post Fixture Activities
- Audit on AET Business Development and Joint Venture Management
- Audit on AET Payroll, Compensation and Benefit – Shore
- Audit on Malaysian Maritime Academy Sdn. Bhd.
- Audit on Eaglestar Finance Activities & Review of Agency Model (Post Implementation)
- Audit on Eaglestar Payroll, Compensation and Benefit – Shore
- Audit on Code of Conduct & Business Ethics (CoBE) for Eaglestar
- Audit on CoBE for Malaysian Maritime Academy Sdn. Bhd.
- Audit on CoBE for MISC Maritime Services Sdn. Bhd.
- Audit on Sungai Udang Port Sdn. Bhd.

#### Joint Venture Entities

- Audit on Future Horizon (L) Pte. Ltd.

#### Procurement

- Audit on MISC Procurement (Tendering Activities)
- Audit on AET Procurement (Tendering Activities)
- Audit on Eaglestar Procurement (Tendering Activities)

#### Others

- Audit on Fixed Asset Management and Finance Lease Receivables – MISC Berhad
- Audit on Finance Shared Service Centre (FSSC)
- Audit on Talent Management System of MISC Berhad
- Audit on Investment Project Governance of Gas Assets & Solutions (GAS) Business
- Audit on MISC Payroll, Compensation and Benefit
- Audit on CoBE for MISC Berhad

### STATEMENT ON RPTs and RRPTs

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.

In ensuring adequate procedures and processes are in place, the BAC is responsible to ensure the following:

- That a framework and appropriate procedures are in place for the purposes of identifying, monitoring, evaluating, reporting and approving RPTs and RRPTs;
- That a review of any RPTs or RRPTs and conflict of interests that may arise within the Group is conducted; and
- 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.

The Group's internal Guidelines on RPTs and RRPTs are summarised as follows:

- Information on related parties and procedures applicable for RPTs and RRPTs which involve interest, direct or indirect, of such related parties shall be disseminated from time to time to all MISC's business and service units as well as subsidiaries, for their reference.
- All business segments and service units shall review their existing information systems on an on-going basis to ensure that relevant features are incorporated in the systems for capturing information on RPTs and RRPTs at source. All Heads of Departments are required to report on all transactions with related parties.

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 findings are reported to the BAC on a quarterly basis. In FY2022, a 97% closure rate was recorded, with the balance 3% being carried forward to FY2023.

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, supported by independent external consultants. 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 24 internal auditors as of 31 December 2022 from diverse backgrounds, disciplines and operational experiences such as accounting and finance, business administration, human resource, engineering, information technology, and shipping 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 FY2022 was RM9.1 million.

## BOARD AUDIT COMMITTEE REPORT

- RPTs and RRPTs will only be undertaken after it has been ascertained that the transaction prices, terms and conditions, quality of products or services are comparable with those prevailing in the market and will meet industry standards. The transaction prices will be based on the prevailing market rates or prices of the service or product or to otherwise accord with the normal commercial terms and applicable industry norms. The interests of non-interested shareholders will be taken into account when entering into the RPTs and RRPTs to ensure that their rights and interests are upheld as per the MMLR.
  - Where possible, other contemporaneous or similar transactions with unrelated third parties for similar products or services and/or quantities will be used as comparison, to determine whether the price and terms offered to or by the related parties are fair and reasonable and comparable to those offered to or by other unrelated third parties for the same or substantially similar type of products or services and/or quantities.
- In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on prevailing market rates or prices that are agreed upon under similar commercial arrangements for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms in order to ensure that the RPTs and RRPTs is not detrimental to the Company or the Group.
- On-going awareness sessions are arranged with employees and stakeholders to ensure sufficient knowledge and familiarity on RPTs and RRPTs in order to comply with the MMLR. Records of all transactions with the related parties are properly maintained by all business segments, service units and subsidiaries.
  - GIA shall review the internal control process and reporting of RPTs and RRPTs within the affected scope to verify that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. Any divergence will be reported to the BAC.
  - The BAC shall review the internal audit reports and will also review from time to time any related party transactions that may arise within the Group. If the BAC is of the view that the procedures are insufficient to ensure that RPTs and RRPTs are undertaken on an arm's length basis and on normal commercial terms and on terms that are not more favourable to the transacting party than those generally available to public during their periodic review of the procedures, the BAC has the discretion to request for additional procedures to be imposed on the RPTs and RRPTs.
  - An interested/deemed interested Director in any particular RPTs or RRPTs shall be required to declare his or her interest in the RPTs or RRPTs and will have to refrain from any deliberation and also abstain from voting on the matter at the Board meeting in respect of that RPTs or RRPTs.
  - MISC Berhad's Limits of Authority also reflect the relevant thresholds for the approval of RPTs or RRPTs. A process flow is also defined to articulate the necessary steps of the process.

The RRPTs entered into by the Group during the financial year ended 31 December 2022 are summarised below:

	Nature of Transaction	Transacting Party	Related Party
1.	Charters of petroleum and chemical tankers and LNG carriers from MISC by PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
2.	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*
3.	Fabrication and construction of oil and gas offshore/onshore structures for PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*

	Nature of Transaction	Transacting Party	Related Party
4.	Marine and consultancy services to PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
5.	Sungai Udang Port management	MISC Berhad and/or its subsidiaries	PETRONAS*
6.	Purchase of industrial gases, lubricants and other petroleum products including bunker oil from PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
7.	Supply of information technology services provided by PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
8.	Rental of premises with PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*
9.	Supply of bunkers, manpower and other corporate support services by PETRONAS Group	MISC Berhad and/or its subsidiaries	PETRONAS*

\* PETRONAS is a major shareholder of the Company

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.

During the financial year under review, the GIA also conducted quarterly audits on RPTs and RRPTs and reviewed the internal control process and reporting of RPTs and RRPTs within the affected scope to verify that adequate procedures are in place and have been adhered to. The BAC is satisfied with the established procedures, and the RPTs and RRPTs were fairly concluded on prevailing market rates/prices, normal commercial terms/conditions, applicable industry norms and not detrimental to the interests of MISC and its minority shareholders.

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.

### DATO' SEKHAR KRISHNAN

Chairman

Board Audit Committee

# BOARD SUSTAINABILITY & RISK COMMITTEE REPORT



**DATIN NORAZAH MOHAMED RAZALI**  
Chairperson  
Board Sustainability & Risk Committee

## CHAIRPERSON'S REMARKS

The Board of Directors (Board) had during the year 2022 approved the previously named Board Governance & Risk Committee (BGRC) to the Board Sustainability & Risk Committee (BSRC). The change of name which took effect on 1 January 2023 demonstrates MISC's commitment to sustainability at the Board level. Sustainability continuously plays an important agenda throughout the year under review with BSRC's endorsement of the MISC Carbon Intensity 2030 Targets and Net-Zero Commitment 2050 which is in line with MISC's strategic priority to decarbonise. We also conducted periodic reviews of the Group's Sustainability Strategy progress status report and performance dashboard based on the five-year MISC Group Sustainability Strategic Priorities 2021-2025 to ensure compliance of policies and adherence to regulatory requirements.

In addition, the BSRC continued to maintain oversight on risks faced by the Group. As part of our regular agenda, the BSRC continues to focus on risk management, particularly MISC's material risks and potential impact through comprehensive review of Quarterly Risk Reports covering key areas including financial performance, project and operational status, risk assessments for new projects and business lines, cybersecurity, governance & compliance as well as human resource related risks.

Through the periodic Project Independent Review (PIR) reports which are tabled to the BSRC, particular focus is placed on MISC's sizeable projects which are on-going to ensure the projects are progressing as planned, delivery is within the expected timeline and within the expected budget, as well as compliance with quality and safety standards which are benchmarked against international and industrial standards.

Other focus areas which had been reviewed and tracked by the BSRC during year 2022:

1. Risks associated with China's Zero-COVID policy, to ensure MISC has put in place the necessary mitigation measures to minimise schedule and cost pressures;
2. Commercialisation phase of MISC's investment in digital ventures. BSRC had provided the necessary guidance to steer this venture forward; and
3. In ensuring robust Cybersecurity as MISC ventures into digital space, BSRC continues to review the updates on MISC's plan to further enhance Cybersecurity position.

As we moved into 2023, our major projects which are under execution remain high on the BSRC's agenda. We continue to ensure that these projects remain on track for delivery to our clients. In line with MISC's strategic priority to decarbonise, the BSRC will oversee the Group's investments for the year ahead and prioritise investments that are aligned with the energy transition and the decarbonisation of the maritime industry. BSRC will continue to monitor the status of these projects to ensure that the Group delivers on the targets identified under MISC's Climate Framework.

As the Group builds its momentum in sustainability related initiatives and investments, the BSRC will also emphasise the need to develop MISC's talent pool to fortify MISC's bench strength as it transitions into a thriving business in the net-zero economy of 2050 in the medium to long-term.

Lastly, I would also like to take this opportunity to welcome Dato' Tengku Marina Tunku Annuar, who became a member of the BSRC from 1 April 2022.

**DATIN NORAZAH MOHAMED RAZALI**  
Chairperson  
Board Sustainability & Risk Committee

### Dear Shareholders,

The Board Governance & Risk Committee (BGRC) 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 BGRC also encompasses governance, compliance and ethics, sustainability and health, safety, security and environment (HSSE).

With effect from 1 January 2023, the BGRC was renamed as the Board Sustainability & Risk Committee (BSRC), to reflect MISC's commitment to the sustainability agenda at the Board level and to place further emphasis on sustainability as a core component embedded in MISC's activities and operations.

*Throughout this BSRC Report, use of the term 'BSRC' may also denote its former name, BGRC, depending on the context.*

### Composition

The BSRC comprises five 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 MCCG. 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.

As at the date of this report, the composition of the BSRC is as follows:

Members	Date of appointment as BSRC member
<b>DATIN NORAZAH MOHAMED RAZALI</b> Chairperson Independent Non-Executive Director	1 January 2021
<b>DATO' SEK HAR KRISHNAN</b> Member Senior Independent Non-Executive Director	1 January 2021

Members	Date of appointment as BSRC member
<b>DATO' AB. HALIM MOHYIDDIN</b> Member Independent Non-Executive Director	1 January 2021
<b>MOHAMMAD SUHAIMI MOHD YASIN</b> Member Independent Non-Executive Director	1 January 2021
<b>DATO' TENGKU MARINA TUNKU ANNUAR</b> Member Independent Non-Executive Director	1 April 2022

### 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 MCCG.

For more information on the BSRC's TOR, please refer to MISC's corporate website at [www.misc.com.my](http://www.misc.com.my).

### Meetings

The BSRC met ten times in 2022. Details of each BSRC member's attendance are as follows:

Members	Number of meetings attended in 2022
<b>Datin Norazah Mohamed Razali</b>	10 out of 10
<b>Dato' Sekhar Krishnan</b>	10 out of 10
<b>Dato' Ab. Halim Mohyiddin</b>	10 out of 10
<b>Mohammad Suhaimi Mohd Yasin</b>	10 out of 10
<sup>(1)</sup> <b>Dato' Tengku Marina Tunku Annuar</b>	7 out of 7

<sup>(1)</sup> Dato' Tengku Marina Tunku Annuar was appointed as a member of the BSRC on 1 April 2022.

# BOARD SUSTAINABILITY & RISK COMMITTEE REPORT

## Overview of matters addressed at BSRC meetings in 2022

Quarterly
<ul style="list-style-type: none"> <li>Financial Risk Appetite Setting (FRAS) updates</li> <li>Enterprise Risk Management Report</li> <li>MISC Sustainability Strategy Progress and Performance Dashboard</li> <li>Compliance and Ethics updates</li> <li>Group HSSE performance reports</li> </ul>
Annually
<ul style="list-style-type: none"> <li>MISC Group Sustainability Strategy progress report</li> <li>Review of MISC Risk Register</li> <li>Content for the Integrated Annual Report</li> <li>Review of MISC's Modern Slavery Statement</li> </ul>
Special
<ul style="list-style-type: none"> <li>Review risk assessments for projects, tenders and transactions</li> <li>Adoption of policies</li> <li>Review of BSRC Terms of Reference</li> <li>Review GHG intensity reduction targets and Net-Zero GHG emission commitment</li> <li>Review periodic reports on Project Independent Review of major projects under execution</li> <li>Review of Cybersecurity Defence Measures in MISC</li> </ul>

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 access to the papers electronically, anytime and anywhere. 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.

## Functions of the BSRC

BSRC Functions	
To review, evaluate, report and make appropriate recommendations to the MISC Board on the following matters:	
<p><b>Risk Management</b></p> <p>Provide oversight on the risk management policies, framework and process.</p>	<p><b>Sustainability</b></p> <p>Provide oversight on the sustainability strategy and initiatives.</p>
<p><b>Compliance and Ethics</b></p> <p>Ensure effectiveness of the compliance and ethics programmes.</p>	<p><b>Governance</b></p> <p>Determine the governance structure and monitor good governance practices.</p>

### 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 on-going activities (including reports on key strategic and business risks as well as environmental, social and governance risks) for 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 on the determination of MISC's sustainability strategy in alignment with MISC's business strategy.

# BOARD SUSTAINABILITY & RISK COMMITTEE REPORT

### 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 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.

## SUMMARY OF THE BSRC’S WORK IN 2022

Appended below is a summary of the BSRC’s work in 2022, in discharging its functions and duties:

Functions	Matters considered
Risk Management	<ul style="list-style-type: none"> <li>Reviewed the Financial Risk Appetite Setting (FRAS) FY2022 indicators for the Group.</li> <li>Received quarterly updates on the FRAS indicators for the Group.</li> <li>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.</li> <li>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.</li> <li>Reviewed strategy and project risk assessment related to proposed participation in new projects/tenders and provided appropriate recommendations to mitigate any identified risks.</li> <li>Reviewed status update on Cybersecurity Defence Measures in MISC.</li> <li>Assessed the Group’s HSSE performance through quarterly reports.</li> <li>Assessed the proposed sale of a LNG carrier.</li> <li>Reviewed the proposals for participation in tenders, including the provision of any bid bonds and/or other securities.</li> <li>Received updates on the status of ongoing tenders and projects.</li> <li>Received updates on project delivery chain for heavy engineering business and operations.</li> <li>Reviewed proposed updates to total capital expenditure and corresponding risk assessment for major projects currently under execution, including risks associated with China’s Zero-COVID policy.</li> <li>Reviewed periodic project independent review reports for major projects currently under execution.</li> <li>Reviewed updates on progress of MISC’s investments in the digital ventures and provided the necessary steer on the way forward.</li> </ul>

Functions	Matters considered
Governance	<ul style="list-style-type: none"> <li>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 2021.</li> </ul>
Compliance and ethics	<ul style="list-style-type: none"> <li>Received quarterly updates on compliance and ethics initiatives which cover policy related matters, communication and training, and monitoring and assurance.</li> <li>Received periodic updates on compliance with MISC’s Regulatory &amp; Legislation Register.</li> <li>Conducted the annual review of the Modern Slavery Statement.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>Received quarterly updates on MISC’s sustainability performance in line with MISC Group 2021 – 2025 Sustainability Strategy.</li> <li>Received the quarterly MISC Sustainability Strategy Progress and Performance Report.</li> <li>Received quarterly performance reports on ESG indicators through the MISC Sustainability Dashboard.</li> <li>Received Management’s brief on greenhouse gas (GHG) emissions and MISC fleet CO<sub>2</sub> and CO<sub>2</sub>e intensity projections to 2050.</li> <li>Endorsed the Group’s Carbon Intensity 2030 Targets and Net-Zero Commitment 2050 as part of MISC’s strategic priority to decarbonise.</li> <li>Reviewed GHG intensity reduction targets and Net-Zero GHG emission commitment.</li> <li>Received periodic updates on improvements to the Group’s existing vessels through operational and commercial interventions towards decarbonisation.</li> <li>Received updates on hazardous and non-hazardous waste performance and targets for MISC operations.</li> <li>Received updates on MISC’s Heart of the Ocean (reef and sea turtle) conservation initiatives.</li> <li>Reviewed MISC’s mangrove conservation framework for the research and development of a carbon offset/credit model.</li> </ul>

**DATIN NORAZAH MOHAMED RAZALI**

Chairperson

Board Sustainability & Risk Committee

# STATEMENT ON RISK MANAGEMENT AND 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 (Group or MISC Group) during the financial year ended 31 December 2022.

## 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 for better decision making whilst managing the risks.

In discharging its responsibilities, the Board is supported by MISC's Board Sustainability and Risk Committee (BSRC) (formerly known as Board Governance and Risk Committee) and Board Audit Committee (BAC) to oversee the risk management and internal control systems during the financial year ended 31 December 2022.

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 203 to 211 (for the BAC) and pages 212 to 217 (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).

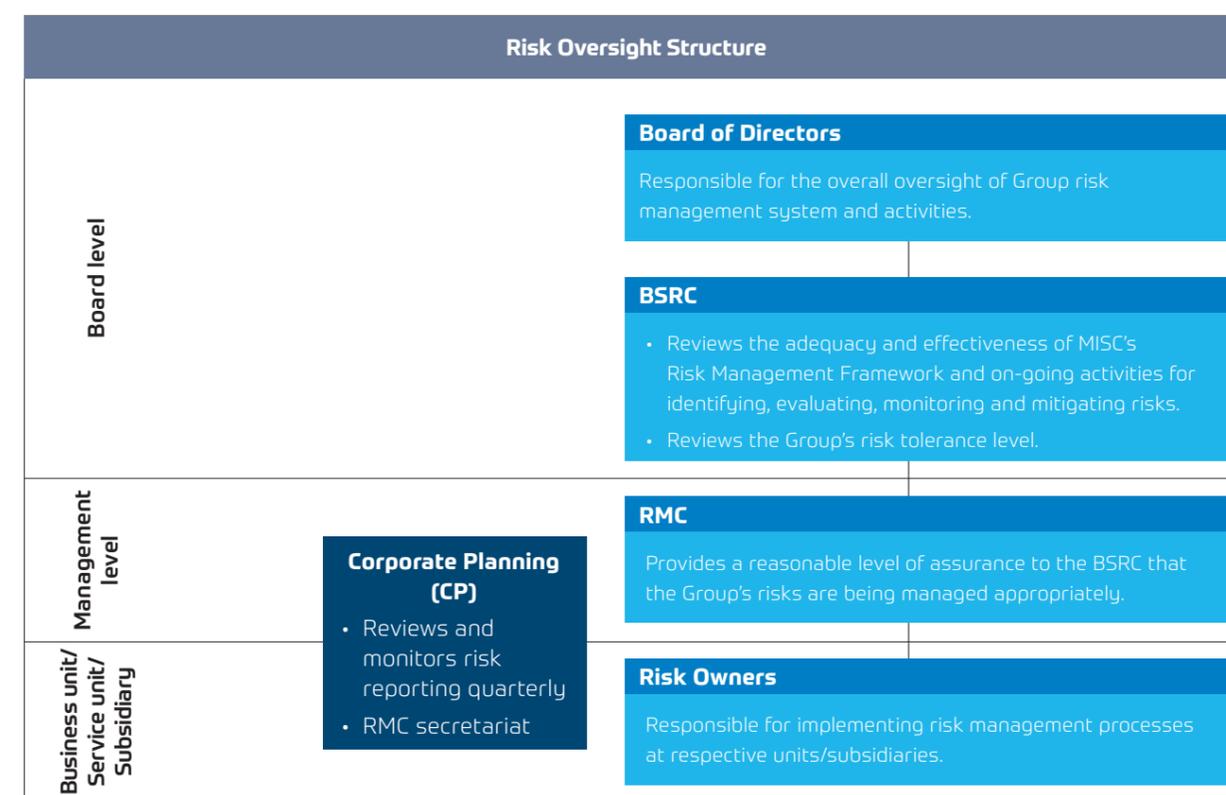
The Board, via BSRC and BAC, periodically reviews the efficiency and effectiveness of the Group's risk management and internal control to ensure the viability and robustness of the systems.

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.



The RMC was established to review and monitor the Group's risk management practices. It is primarily responsible for driving the implementation of the risk management framework and acts as the central platform for the Group.

RISK MANAGEMENT COMMITTEE			
Assist the management in identifying principal risks at Group level and providing assurance that the Enterprise Risk Management (ERM) is implemented group-wide to protect and safeguard MISC's interest	Review and recommend policies and frameworks specifically to address risks inherent in all business operations and environment pertaining to the Group	Review, deliberate and recommend mitigation actions to ensure that the Group's risks are being mitigated effectively	Provide a reasonable assurance to the BSRC that the Group's risks are being managed appropriately

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The RMC holds quarterly meetings to review the key risks and at the same time ensure that mitigation plans are in place to manage such risks. The adequacy and effectiveness of the controls and the robustness of the mitigation actions are also addressed. These are then further deliberated at the BSRC and finally reported to the Board on a quarterly basis.

## Risk Policy

MISC's Risk Policy guides the overall best practice of identifying, evaluating, managing, reporting and monitoring the ever-changing risks faced by the Group and specific measures to mitigate these risks. The emphasis is to effectively reduce the impact of risks, respond to immediate risk events and recover from prolonged business disruption to ensure continuity and sustainability of key business activities as well as delivery of business objectives. It also outlines the general principles for making risk-based decisions, thus strengthening MISC's position as a risk-resilient organisation.

MISC is committed to become a risk-resilient organisation.

MISC shall continuously strive to implement:

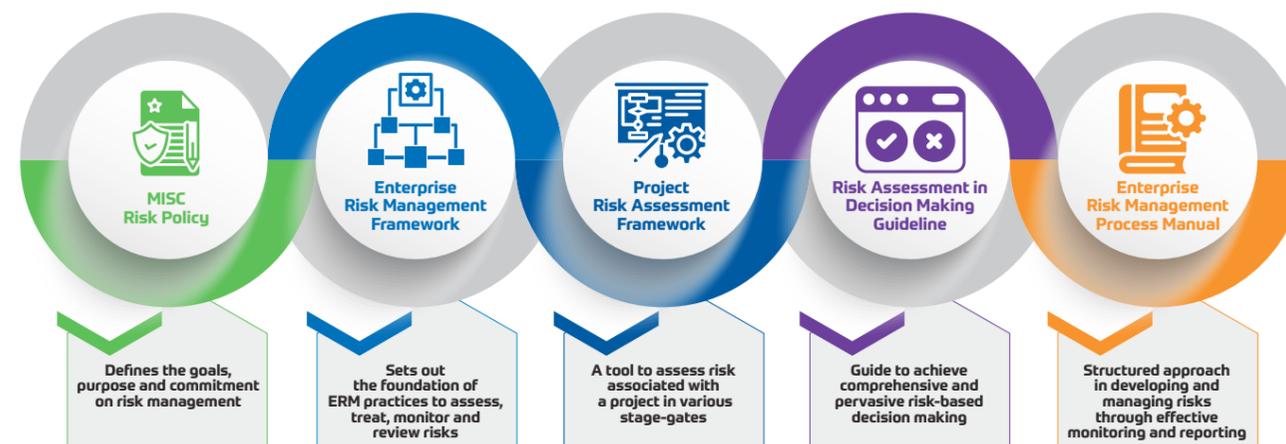
- Risk management best practices to protect and create value within the set boundaries; and
- Risk-based decision-making by providing a balanced and holistic view of exposure to achieve business objectives.

Managing risk is everyone's responsibility.

## Risk Management Framework

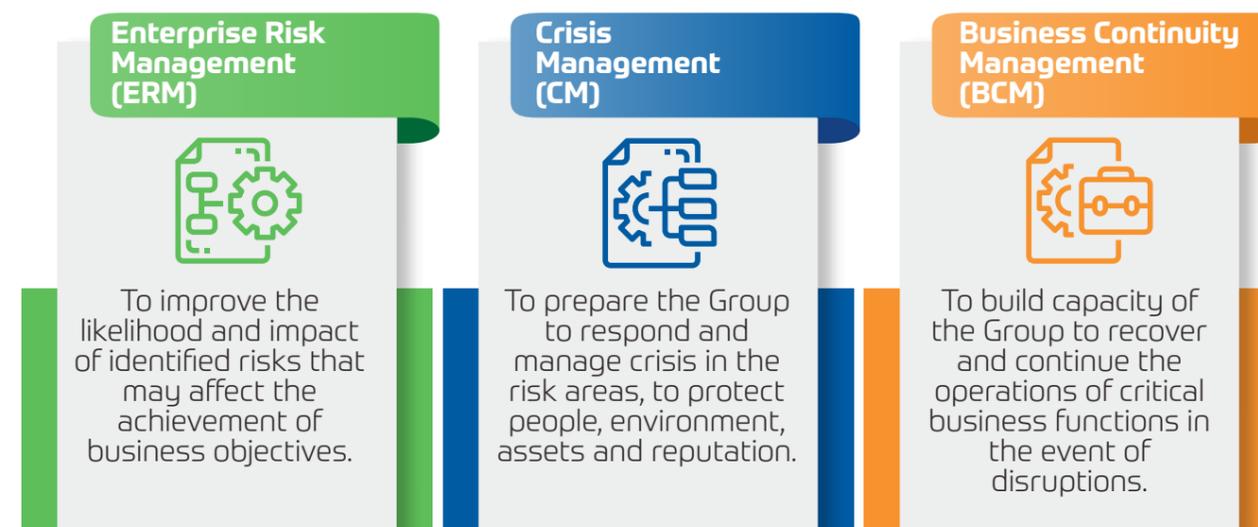
The Group's risk management framework is used to identify, evaluate and manage the principal risks of the Group as described in Risks and Mitigations Strategies on pages 71 to 75 of this Integrated Annual Report. Appropriate internal control systems are also implemented to manage these risks, details of which are set-out in the following pages.

Risks across the Group are being managed on an integrated basis within stipulated and approved risk management governing documents and Limits of Authority (LOA). Evaluations of those risks are incorporated into the decision-making process. The risk governing documents as set out below provide a structured and consistent approach in the implementation and institutionalisation of risk management practices across the Group.



The Board 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:

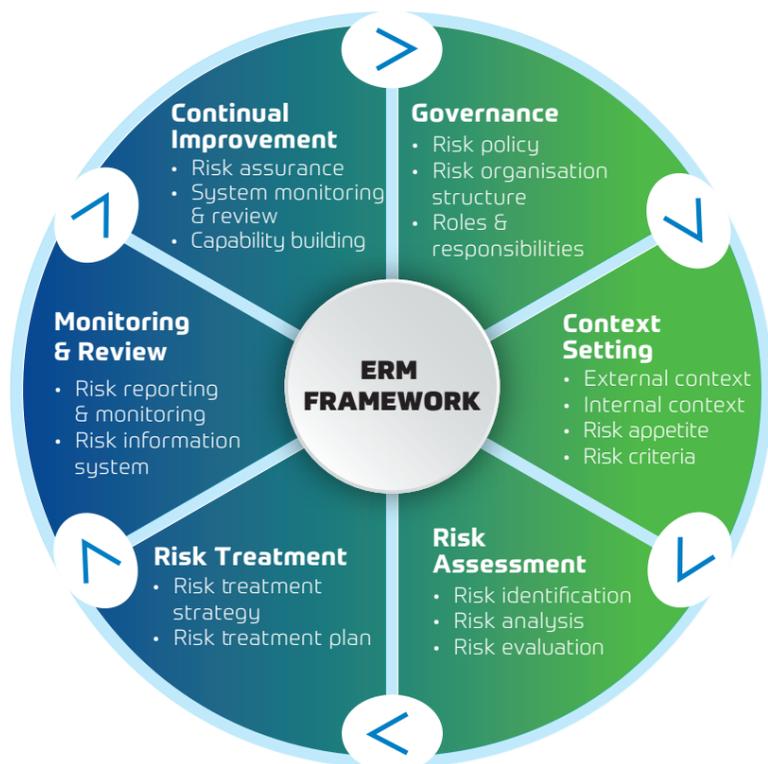
## PETRONAS Resiliency Model



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## ENTERPRISE RISK MANAGEMENT

The Group has implemented risk management best practices in the form of an ERM framework which ensures all business risks are prudently identified, evaluated, treated and managed accordingly to achieve MISC's business objectives.



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 key subsidiaries are required to perform an annual review of their risk profiles with an emphasis on linking these risks to MISC's business objectives.

The risk management process in MISC requires management to identify business risks at the strategic, operational and tactical levels, while having considered the environment, social and governance risks and to assess these risks 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.

The Group recognises the importance of climate risk and their impact on our businesses. In 2022, in line with ESG risks, climate risks were also identified and included as part of the enterprise risk management process. This is to assess the risks and impacts of climate change, and to strengthen the Group's resilience towards achieving our business objectives amidst the challenges associated with climate change. The inclusion of climate change related risks are also in line with the Task Force on Climate Related Financial Disclosure (TCFD) recommendations.

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 and their corresponding risk mitigations and Key Risk Indicators (KRIs), derived from the businesses. The KRIs are reviewed and identified to monitor the movement of risks quarterly, thus enabling the management to act quickly and take the 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, on a quarterly basis, the status of the mitigation action plans identified to manage these risks and their existing internal controls and breaches to the KRI thresholds are monitored, updated and reported to the RMC, BSRC and subsequently to the Board.

In essence, the risk management processes are as follows:

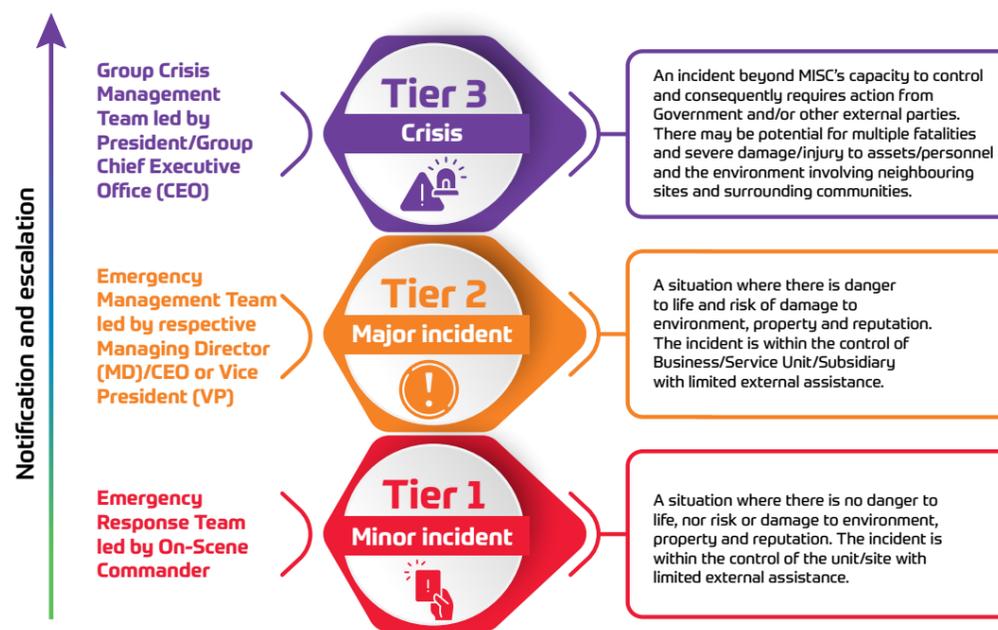


# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## CRISIS MANAGEMENT

Crisis Management is an integrated process that aims to prepare an organisation to respond and manage crises in the risk areas, to protect people, the environment, assets and reputation.

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 agencies and/or authorities.



During the year under review, several drill exercises were conducted for emergencies on vessels and offshore facilities via simulation of test scenarios to validate the effectiveness of response plans, as well as promote continuous improvement as identified in the Group Crisis Management Plan. Drill exercises which include cyber security table-top drills were also carried out at the respective business segments and subsidiaries.

## 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 Planning (BCP) enhances our preparedness to recover and restore essential business functions within a reasonable time to sustain business activities and minimise stakeholder disruption.

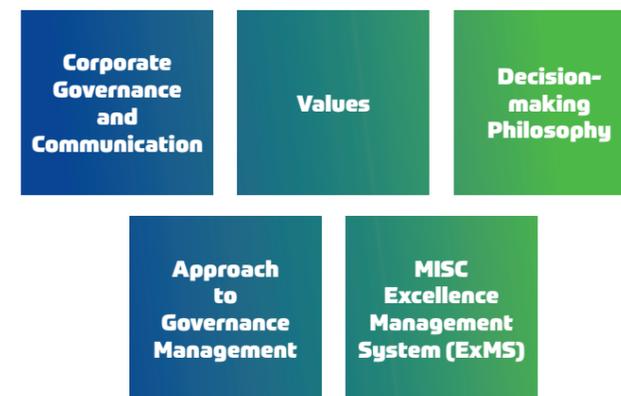
Frequently, we simulated test scenarios to validate the effectiveness of recovery strategies and maintain a high level of competence, readiness and preparedness as identified in the BCP. Our annual Business Impact Analysis and recovery plan reviews are carried out to ensure that any changes in the organisation are risk-assessed, analysed, and mitigated. In 2022, we focused on instilling awareness and strengthening communication on CM and BCM. Therefore, a series of training and exercises were organised throughout the Group which included Cybersecurity, Oil Spill and Crisis Communication.

Our established flexible working arrangement enabled all office employees to work remotely from home. We accelerated the deployment of digital platforms for communication and collaboration to ensure teams could work remotely and effectively. The recent COVID-19 pandemic has proven that office employees are able to work remotely just as efficient as working in the office with the deployment of digital platforms.

Through the operational resilience that MISC has built over the years and the well-executed recovery plans, MISC was able to provide uninterrupted services to its clients, as well as internal and external stakeholders, globally.

## Key Internal Control Processes in Enterprise Risk Areas

In 2022, the MISC Group Management Framework (MGMF) was developed which functions as a definitive management guide, that aligns MISC Group's activities on an integrated platform. The MGMF is intended to provide a first point of reference for the MISC Group with guiding principles for the following areas:



The purpose of this document is to give an overview of MISC Group, including its organisational structure, operating model and governance framework. This document then introduces the Management System, which defines how MISC Group fulfils its obligations to regulators, employees, customers, shareholders, and the community.

During the year under review, MISC conducted 754 self-assessments mainly on Finance, Legal and HSSE risk areas through the MyAssurance system. The purpose of these self-assessments is to ensure that the Group complies with the internal governance requirements established under the Group's frameworks, guidelines and guiding principles.

Other than self-assessment via MyAssurance, amongst other MISC'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 the organisation and facilitates sound and timely corporate decision-making at the appropriate level in the organisation'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 monthly to the MC and quarterly to the 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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 requirement is performed semi-annually for relevant processes.

- MISC Financial Policy

The Group has adopted MISC Financial Policy (MFP) which sets out the overarching philosophy of our 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 supplemented 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 during FY2022 include the following:

- Conducting counterparty assessments prior to accepting Inward Financial Guarantee and Documentary Credit from vendors.
- Monitoring trade receivables on a monthly basis.
- Managing interest rate risk exposures via interest rate swaps to hedge against cashflow 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 debt 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 contingency 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 institutions counterparties.

The KRIs thresholds of FRAS are reviewed and refreshed annually.

- Credit Risk Framework and Guidelines

MISC has adopted the Petronas Credit Guidelines to facilitate the management of credit risk exposures from our customers and to guide credit risk decision. In this regard, the Group applies the Petronas Credit Risk Rating System to evaluate the creditworthiness of our external counterparties. In addition, the Group's trade receivables' aging profile is closely monitored and deliberated on a monthly basis as part of our credit risk exposure management practice.

### Taxation

- MISC Tax Policy

With the tax policy in place, MISC 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.

In addition, overall tax risks of the Group are being managed, among others, through:-

- Risk Register which set 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 continues to use a risk-based pricing framework to ensure that the returns of any capital investment or project, adequately cover the risks assumed for undertaking such investment or project.

PRA Framework was established to provide a stringent tool in identifying project risks prior to embarking on a new capital-intensive 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, project and commercial risk, overall project economics against risk, assumed level of debt taken to fund the project and the residual value risk of the asset 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

For each project that is being considered for bid submission, PRA is conducted and deliberated at the PRA Sub-Committee, BSRC and subsequently at MISC Board. The PRA framework is continuously reviewed and refined to ensure the robustness of the risk assessment process.

### Finance Transformation Programme (FTP)

MISC is embarking 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, implementation of modernized 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 is currently still in the phase of designing its processes, platforms and upskilling program and will roll-out various initiatives upon completion of the design activities in the following year.

### Procurement

The MISC Procurement Transformation Program is underway. The primary focus is two-fold: to improve our Procurement Policies & Processes and to introduce best in class systems which provide greater spend visibility, aid better decision making and drive greater value.

New policies and processes are encapsulated in the MISC Group Procurement Guidelines (GPG). The GPG is currently in the process of being rolled out across the Group with the aim of streamlining procurement principles and processes whilst ensuring Governance is maintained.

### Contract Management

In 2021, contract management transformation program was introduced to automate the contract management process, increasing accessibility through a centralized contract repository and enhancing compliance to contract obligations. The initial phase of the contract management platform had gone live in June 2022 and the platform is expected to be fully implemented by the first half of 2023.

### Project Management

Project management of GAS Business and AET newbuilds are handled by the Project Delivery and Technology department (PD&T), Engineering and Projects of the Eaglestar Group, whereas the project management for the Offshore Business will be monitored by the PD&T of the Offshore Business unit. The primary objective of the PD&T department 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.

Two main functions of Eaglestar's PD&T are:

- project engineering team, which mainly manages project tendering and contracting, including feasibility studies, design and scope of work; and
- project management team, which handles project execution post contract signing, engineering review, supervision and appraisal of builders' performance.

PD&T 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. PD&T also maintains regular reporting to management on progress and escalating pertinent issues.

The Offshore Business's 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 strategies 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 GIA.

### Information & Communication Technology (ICT)

MISC 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 MISC network infrastructure that connect all businesses within the Group. With the implementation of Cloud services, 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

MISC 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 Program 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 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 ICT operates at its highest potential, minimizes risks and improves Information Technology (IT) governance.

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 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 AND INTERNAL CONTROL

## Cybersecurity

A 5-year MISC Cybersecurity Strategic plan has been formulated under MISC Sustainability Strategy 2025 (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.

A formal cybersecurity team has been established and led by a qualified Chief Information Security Officer (CISO) reporting to the Group HSSE Council. The CISO office provides management oversight in line with the cybersecurity strategy. The strategy comprises of:

### 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 implementations of IT 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 improvements.

### Cybersecurity Culture

Formal and structured cybersecurity campaigns and awareness programmes are conducted combining MISC 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.

The progress of all initiatives is reported regularly to the Group HSSE Council. The Board has been appraised of MISC Cybersecurity strategy.

## Human Resource

MISC places great emphasis in nurturing a sustainable and healthy talent pool and promotes a high-performance culture that will support the organisation'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.

Our Performance Management System supports our vision to build a high-performance culture, with performance indicators that align to the organisation'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 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 organisation 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 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.

The Functional Competency and Leadership Competency framework, together with the Succession Planning framework, demonstrate the Group's commitment towards developing future leaders of MISC.

MISC 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. The employee assistance programmes were introduced to provide access to personalised and holistic support encompassing physical, mental and emotional well-being.

## Compliance & Ethics

As MISC completes the Compliance and Ethics Programme 2020, the next 5-year Compliance and Ethics Programme for 2021 to 2025 has formed part of the Governance and Business Ethics Pillar under the Sustainability Strategy 2021-2025.



The Sustainability Strategy 2025, the Strategic priority (Governance Pillar) under the values, assurance, and business ethics, is to continuously embed a culture of strong corporate governance and business ethics and conduct within the organisation. The Governance Pillar maps out the Group's compliance strategy, objectives, and guidance through the Compliance Management Framework 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 including 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MISC 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 addressing the critical legal areas related to ethics and integrity, personal data protection, sanctions, export control, competition and human rights/modern slavery through the following policies:

- MISC as per the Anti-Bribery and Corruption (ABC) Policy Statement and ABC Manual, has a zero-tolerance policy towards any form of bribery and corruption by employees or companies acting for or on behalf of MISC. The MISC CoBE, ABC Policy and ABC Manual apply throughout the Group and reflect the Group's commitment to fight against any corrupt or unethical practices in the course of conducting businesses in the jurisdictions in which it operates. This is further strengthened through the Anti-Bribery Management System (ABMS) which sets out the requisite requirements to prevent, identify and respond to bribery.

To further fortify the internal control processes and systems of the Company in respect of anti-bribery and corruption management, MISC has received the ISO 37001:2016 (ISO ABMS) certification in 2019.

The Bribery and Corruption Risk Assessment is being conducted and reviewed on an annual basis to ensure MISC 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 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 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. The policy outlines the main competition laws applicable in most jurisdictions around the world and provides guidelines to ensure strict compliance with these rules in the day-to-day operations.
- MISC 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 upholds, with emphasis on due respect for human rights and compliance applicable to global laws and rules.
- For other relevant laws, MISC through the Regulatory and Legislation (R&L) Register, maintains regulations and legislations which can potentially impact the organisation. The R&L Register shall be the guide to ensure that MISC 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 is complying with all applicable laws and regulations, 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's business operations and MISC expects third parties to comply with the same standards as MISC'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 CoBE related policies and guidelines through the Declaration and Integrity Pledge.
- Annual trainings are also conducted to MISC's third parties.

There have been continuous awareness sessions through the "See.Speak.Support" Campaigns since 2017 with the objective of highlighting and creating awareness amongst employees on MISC's principal elements of the CoBE. The campaigns were aimed at promoting MISC's Whistleblowing Channels and processes to employees. Continuous training on the CoBE and its related policies covering the critical legal areas have been conducted for employees, directors and third parties.

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 CoBE, provides guidelines on the business and personal relationships between MISC's employees and MISC's 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 2025 (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 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 (Group HSSE)

The HSE Management System is developed in reference to PETRONAS HSE Management System, industry standards and best practices, which serves as a reference in planning and mitigating the risks of Health and Safety of employees, visitors, contractors and sustainability of the environment.

Group HSSE ensures that the Group's Security Risk exposures are reviewed according to national and international regulatory requirements and best practices, and mitigating measures are accordingly planned and implemented to ensure the security of employees, visitors, contractors and assets in accordance with the Security Management System.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The threat of COVID-19 pandemic since early 2020 is effectively managed and contained through risk assessments, situational analysis, case management and mitigation measures. Standard operating procedures are regularly reviewed in accordance to the legislative requirements and best practices.

Cybersecurity conducts risk assessments on emerging technology areas, collaborates with operating units on internal and external audits and ensuring audit findings on cybersecurity areas have been closed satisfactorily. Regular reviews are done to continuously improve operational processes.

HSSE assurance is carried out on the respective business segments, vessels and floating facilities by Group HSSE with the objective to verify, evaluate and review the 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 certification under the relevant codes. In addition, MISC is also subjected to periodic management reviews by its customers' risk management units.

The Group HSSE Council, chaired by the President/Group CEO with the MC and MD/CEO of all subsidiaries as members, reviews the Group HSSE performance on a monthly basis and HSSE policies and strategies periodically, to ensure that they are in line with business objectives. The BSRC will then be updated on the HSSE quarterly performance while the BAC oversees the HSSE risk and control effectiveness through review of the assurance findings on a half yearly basis.

### 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 208 to 209 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 2022, 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 23 February 2023.

## 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 state of affairs 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 2022, 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
- A 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

Pursuant to the establishment of the Global Medium Term Notes Programme of up to USD3.0 billion in nominal value or its equivalent in other currencies (GMTN Programme) guaranteed by the Company, MISC Capital Two (Labuan) Limited, a wholly-owned subsidiary of the Company, had successfully priced its USD1.0 billion Global Medium Term Notes (Notes) in nominal value on 30 March 2022. Subsequently, the Notes comprising of USD400 million 3-year and USD600 million 5-year Notes were issued on 6 April 2022. The proceeds from the Notes were mainly used to refinance the existing borrowings of the Group.

### B. AUDIT AND NON-AUDIT FEES

- 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 2022 amounted to RM5.8 million and RM0.9 million respectively. The Group and the Company also paid RM1.0 million to EY PLT for other audit services incurred in relation to the issuance of Global Medium Term Notes (GMTN) in the financial year ended 31 December 2022.
- 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 2022 amounted to RM1.4 million and RM0.9 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 2022 or, if not then subsisting, entered into since the end of the previous financial year.

# ADDITIONAL INFORMATION

MISC Group Structure	240
Properties Owned by MISC Berhad & Its Subsidiaries	244
List of Vessels & Assets	246
Statistics on Shareholdings	255
Corporate Information	259
List of Abbreviations	260



# MISC GROUP STRUCTURE

As at 28 February 2023

\* Excluding Dormant Companies and Companies In Liquidation

OFFSHORE BUSINESS		MARINE & HEAVY ENGINEERING		MARITIME EDUCATION & TRAINING	
100%	<b>MISC Offshore Holdings (Brazil) Sdn. Bhd.</b> <i>(Investment Holding)</i>	100%	<b>MISC Offshore Floating Terminals (L) Limited</b> <i>(Owning Offshore Floating Terminals)</i>	66.5%	<b>Malaysia Marine and Heavy Engineering Holdings Berhad**</b> <i>(Investment Holding)</i>
100%	• <b>MISC Offshore (USA) LLC</b> <i>(Providing Support Services in the Bidding and Execution of Offshore Deepwater FPSO Projects)</i>	100%	<b>MISC Offshore Floating Terminals Dua (L) Limited</b> <i>(Owning Offshore Floating Terminals)</i>	66.5%	• <b>Malaysia Marine and Heavy Engineering Sdn. Bhd.</b> <i>(Provision of Oil and Gas Engineering and Construction Works, Marine Conversion and Repair Services)</i>
49%	• <b>Brazilian Deepwater Floating Terminals Limited</b> <i>(Construction of FPSO)</i>	100%	<b>Malaysia Offshore Mobile Production (Labuan) Ltd.</b> <i>(Owning Mobile Offshore Production Units)</i>	66.5%	• <b>Malaysia Marine and Heavy Engineering Saudi Limited</b> <i>(Provision of Engineering, Procurement, Construction, Installation and Commissioning Services for Offshore and Onshore Facilities)</i>
49%	• <b>Brazilian Deepwater Production B.V.</b> <i>(Chartering of FPSO)</i>	100%	<b>Malaysia Offshore Mobile Production Dua (Labuan) Ltd.</b> <i>(Provision of Professional Services to Oil and Gas Industry)</i>	66.5%	• <b>MHS Integrated Engineering Sdn. Bhd.</b> <i>(Plant Turnaround and Shutdown Maintenance)</i>
49%	• <b>Brazilian Deepwater Production Limited</b> <i>(Chartering of FPSO)</i>	100%	<b>Gumusut-Kakap Semi-Floating Production System (L) Limited</b> <i>(Owning and Leasing of Semi-Submersible Floating Production System)</i>		
49%	• <b>Brazilian Deepwater Production Contractors Limited</b> <i>(Operation and Maintenance of FPSO)</i>	51%	<b>Malaysia Vietnam Offshore Terminal (L) Limited</b> <i>(FSO Owner)</i>		
49%	• <b>Operacoes Maritimas em Mar Profundo Brasileiro Ltda</b> <i>(Operation and Maintenance of FPSO)</i>	51%	<b>Malaysia Deepwater Floating Terminal (Kikeh) Limited</b> <i>(FPSO Owner)</i>		
100%	<b>MISC Offshore (Americas) Holdings Pte. Ltd.</b> <i>(Investment Holding)</i>	51%	<b>Malaysia Deepwater Production Contractors Sdn. Bhd.</b> <i>(Operating and Maintaining FPSO Terminals)</i>		
100%	• <b>MISC Offshore (Singapore) Pte. Ltd.</b> <i>(Owning and Leasing of FPSO Unit)</i>	20%	<b>FPSO Ventures Sdn. Bhd.</b> <i>(Provision of Operations and Maintenance of FPSO, FSO, MOPU and Fixed Facilities and Management Consultancy to the Oil and Gas Industry)</i>		
100%	• <b>MISC Offshore Services Pte. Ltd.</b> <i>(Provision of Operations and Maintenance Services for Deepwater Offshore Assets)</i>	40%	<b>Vietnam Offshore Floating Terminal (Ruby) Ltd.</b> <i>(FPSO Owner)</i>		
100%	• <b>MISC Serviços de Petróleo do Brasil Ltda.</b> <i>(To Operate and Maintain Marine Units for the Exploration and Production of Oil and Natural Gas in Brazil and to Provide Any Services Related to Such Activities)</i>	100%	<b>Mekar Bergading Offshore Floating (L) Limited</b> <i>(Owning, Operation and Maintenance of FSO Vessels)</i>		

\*\* Listed on the Main Market of Bursa Malaysia Securities Berhad.

# MISC GROUP STRUCTURE

As at 28 February 2023

\* Excluding Dormant Companies and Companies In Liquidation

INTEGRATED MARINE SERVICES		PORT MANAGEMENT & MARITIME SERVICES		OTHERS	
100%	<b>Eaglestar Marine Holdings (L) Pte. Ltd.</b> <i>(Provision of Integrated Marine Services and Investment Holding)</i>	100%	<b>MISC Maritime Services Sdn. Bhd.</b> <i>(Provision of Maritime Services and Consultancy and Maritime Audit)</i>	100%	<b>MISC Capital (L) Limited</b> <i>(Special Purpose Vehicle for Financing Arrangement)</i>
100%	• <b>Eaglestar Shipmanagement (L) Pte. Ltd.</b> <i>(Provision of Ship Management and Marine Related Services)</i>	100%	• <b>Sungai Udang Port Sdn. Bhd.</b> <i>(Operation and Management of Sungai Udang Port)</i>	100%	<b>MISC Capital Two (Labuan) Limited</b> <i>(Finance the Business Operations of MISC Berhad or Companies Controlled By It)</i>
100%	• <b>Eaglestar Marine (S) Pte. Ltd.</b> <i>(Hiring of Personnel)</i>	100%	• <b>Eaglestar Marine India Private Limited</b> <i>(Provision of Crew Management Services)</i>	100%	<b>MISC International (L) Limited</b> <i>(Investment Holding)</i>
100%	• <b>Eaglestar Shipmanagement (S) Pte. Ltd.</b> <i>(Provision of Ship Management and Marine Related Services)</i>	24%	• <b>Eaglestar Marine (Philippines) Corporation</b> <i>(Provision of Crew Management Services)</i>	100%	<b>MISC Agencies Sdn. Bhd.</b> <i>(Investment Holding)</i>
100%	• <b>Eaglestar Shipmanagement (USA) LLC</b> <i>(Provision of Ship Management and Marine Related Services)</i>	100%	• <b>ES Marine Pte. Ltd.</b> <i>(Port, Shipping and Maritime-Related Consultancy Services)</i>	100%	• <b>MISC Agencies (Netherlands) B.V.</b> <i>(Property Owning)</i>
100%	• <b>Eaglestar Shipmanagement GAS (S) Pte. Ltd.</b> <i>(Provision of Ship Management and Marine Related Services)</i>	100%	• <b>ES Crewing Pte. Ltd.</b> <i>(Ship Management Services)</i>	100%	• <b>MISC Berhad (UK) Limited</b> <i>(Commercial Operations)</i>
100%	• <b>Eaglestar Shipmanagement Ventures (S) Pte. Ltd.</b> <i>(Provision of Ship Management and Marine Related Services)</i>				
		<b>DIGITAL VENTURES</b>			
		100%	<b>Magellan X Holdings (L) Pte Ltd</b> <i>(Investment Holding)</i>		
		100%	• <b>Magellan X Pte. Ltd.</b> <i>(Providing Development of Software and Applications, Data Analytics, Processing and Related Activities)</i>		
		94.9%	• <b>SOL-X Pte. Ltd.</b> <i>(Providing Health, Safety, Security, Operations and Workflow Management Technology Solutions)</i>		
		93.5%	• <b>Spares CNX Pte. Ltd.</b> <i>(Providing Inventory Management and Procurement Systems)</i>		
		88.5%	• <b>CHORD X Pte. Ltd.</b> <i>(Providing Data-driven Solutions for Maritime and Industrial Machinery Application)</i>		

# PROPERTIES OWNED BY MISC BERHAD AND ITS SUBSIDIARIES

As at 31 December 2022

NO	LOCATION	DESCRIPTION	TENURE & YEAR LEASE EXPIRES	AREA IN SQ FT	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,	43	38,967
2	PTD 11549 Mukim Plentong Johor Bahru	Land, shipyard	Leasehold/2075	522,720	heavy engineering fabrication yard, ancillary facilities and office buildings	47	693
3	PTD 101363 Mukim Plentong Johor Bahru	Land	Leasehold/2039	2,567,862	Storage area	13	14,213
4	PTD 65615 Mukim Plentong Johor Bahru	Land	Leasehold/2044	698,266	Staff quarters	39	1,746
5	PTD 65618 Mukim Plentong Johor Bahru	Land	Leasehold/2044	587,624	Staff quarters	39	1,469
6	PTD 65619 Mukim Plentong Johor Bahru	Land	Leasehold/2044	128,502	Staff quarters	39	321
7	PTD 65616 Mukim Plentong Johor Bahru	Land	Leasehold/2044	169,884	Vacant	39	425
8	PTD 65617 Mukim Plentong Johor Bahru	Land	Leasehold/2044	374,180	Vacant	39	936
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	45	1,119,416
10	Rumah Pangsa MMHE 81700 Pasir Gudang (erected on land 4 to 6 above)	4-storey residential flats	Leasehold/2044	383,559	Staff quarters	44	1,579
11	PTD 71056 Mukim Plentong Johor Bahru	Land, yard	Leasehold/2045	1,524,600	Heavy engineering fabrication yard, ancillary facilities and office buildings	37	34,224
12	PTD 109040 Mukim Plentong Johor Bahru	Land	Leasehold/2053	217,800	Workshop, ancillary facilities and site office	29	5,544
13	PTD 200290 Mukim Plentong Johor Bahru	Land, yard	Leasehold/2052	2,424,158	Workshop, ancillary facilities and office buildings	14	63,730

# PROPERTIES OWNED BY MISC BERHAD AND ITS SUBSIDIARIES

As at 31 December 2022

NO	LOCATION	DESCRIPTION	TENURE & YEAR LEASE EXPIRES	AREA IN SQ FT	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	42	8,935
15	Lot 51611 Mukim Plentong Johor Bahru	Land	Leasehold/2045	173,514	Ancillary facilities and storage area	26	3,895
16	PTD 110760 Mukim Plentong Johor Bahru	Land	Leasehold/2052	205,603	Workshop, ancillary facilities and office buildings	29	5,085
17	PTD 110758 Mukim Plentong Johor Bahru	Land	Leasehold/2052	59,242	Cabin office and warehouse	29	1,542
18	PTD 233477 Mukim Plentong Johor Bahru	Land	Leasehold/2079	333,197	Heavy engineering fabrication yard and ancillary facilities	4	13,220
19	Lot 76, Mukim Kuala Sungai Baru, Alor Gajah, Melaka	Building	Leasehold/2046	13,474	Accommodation, meeting facilities and storage	14	-
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	12	-
21	Lot 32988, Mukim Dengkil, (No. 3505 Jalan Teknokrat 5, Cyberjaya, Selangor)	Land, building	Freehold	58,652	Office	20	28,919
22	305, The Colonnades Porchester Square, Bayswater, London W2 6AS	Apartment	Leasehold/2073	1,200	Accommodation	31	3,643
23	Galveston, Texas, USA	Land, building	Freehold	290,415	Workboats, dockage and lightering support operation	54	19,052
24	Rivium 1e straat 42, 2909 LE, Capelle ann den IJssel, Netherlands	Land, building	Freehold	21,140	Office	25	7,253

## LIST OF VESSELS AND ASSETS

As at 31 December 2022

### LNG CARRIERS: EXISTING (OWNED)

Class	Total	Vessel	Built	Age	Yard	Cargo Capacity (cbm)	DWT	Flag
<b>Small-Medium Class</b>	3	Aman Sendai *	1997	26	NKK, Tsu, Japan	18,930	10,957	Malaysia
		Portovenere	1997	26	Sestri Cantieri Navali SpA, Genoa	65,262	35,760	Singapore
		Lerici	1998	25	Sestri Cantieri Navali SpA, Genoa	65,299	35,760	Singapore
<b>Puteri Class</b>	4	Puteri Intan	1994	28	Chantiers de l'Atlantique, France	130,300	73,519	Malaysia
		Puteri Delima	1995	28	Chantiers de l'Atlantique, France	130,404	73,519	Malaysia
		Puteri Nilam	1995	28	Chantiers de l'Atlantique, France	130,363	73,519	Malaysia
		Puteri Zamrud	1996	27	Chantiers de l'Atlantique, France	130,358	73,519	Malaysia
<b>Puteri Satu Class</b>	6	Puteri Intan Satu	2002	20	Mitsubishi Heavy Industries, Japan	137,489	75,849	Malaysia
		Puteri Delima Satu	2003	20	Mitsui Engineering & Shipbuilding Co., Japan	137,601	75,929	Malaysia
		Puteri Nilam Satu	2003	19	Mitsubishi Heavy Industries, Japan	137,585	76,124	Malaysia
		Puteri Zamrud Satu	2004	19	Mitsui Engineering & Shipbuilding Co., Japan	137,590	76,144	Malaysia
		Puteri Firus Satu	2004	18	Mitsubishi Heavy Industries, Japan	137,617	76,197	Malaysia
		Puteri Mutiara Satu	2005	18	Mitsui Engineering & Shipbuilding Co., Japan	137,595	76,229	Malaysia
<b>Seri A Class</b>	5	Seri Alam	2005	17	Samsung Heavy Industries Co. Ltd., Korea	145,572	83,482	Malaysia
		Seri Amanah	2006	17	Samsung Heavy Industries Co. Ltd., Korea	145,709	83,400	Malaysia
		Seri Anggun	2006	16	Samsung Heavy Industries Co. Ltd., Korea	145,731	83,395	Malaysia
		Seri Angkasa	2006	16	Samsung Heavy Industries Co. Ltd., Korea	145,700	83,407	Malaysia
		Seri Ayu	2007	15	Samsung Heavy Industries Co. Ltd., Korea	145,659	83,365	Malaysia

\* Jointly owned with NYK

## LIST OF VESSELS AND ASSETS

As at 31 December 2022

### LNG CARRIERS: EXISTING (OWNED)

Class	Total	Vessel	Built	Age	Yard	Cargo Capacity (cbm)	DWT	Flag
<b>Seri B Class</b>	5	Seri Bakti	2007	16	Mitsubishi Heavy Industries, Japan	152,945	90,065	Malaysia
		Seri Begawan	2007	15	Mitsubishi Heavy Industries, Japan	153,024	89,902	Malaysia
		Seri Bijaksana	2008	15	Mitsubishi Heavy Industries, Japan	152,888	89,953	Malaysia
		Seri Balhaf	2009	14	Mitsubishi Heavy Industries, Japan	157,721	91,201	Malaysia
		Seri Balqis	2009	14	Mitsubishi Heavy Industries, Japan	157,611	91,198	Malaysia
<b>Seri C Class</b>	5	Seri Camellia	2016	6	Hyundai Heavy Industries, Korea	150,547	84,333	Malaysia
		Seri Cenderawasih	2017	6	Hyundai Heavy Industries, Korea	150,447	84,333	Malaysia
		Seri Cempaka	2017	5	Hyundai Heavy Industries, Korea	150,445	84,311	Malaysia
		Seri Camar	2018	5	Hyundai Heavy Industries, Korea	150,444	84,295	Malaysia
		Seri Cemara	2018	5	Hyundai Heavy Industries, Korea	150,526	84,333	Malaysia
<b>Diamond Class</b>	2	Diamond Gas Crystal **	2021	2	Hyundai Samho Heavy Industries	173,984	89,847	Singapore
		Diamond Gas Victoria ***	2021	1	Hyundai Samho Heavy Industries	173,967	89,760	Singapore
<b>TOTAL</b>	<b>30</b>					<b>4,099,313</b>	<b>2,303,605</b>	

\*\* Jointly owned with Mitsubishi-NYK

\*\*\* Jointly owned with Mitsubishi-NYK-Toho LNG Shipping

### LNG FLOATERS: EXISTING (OWNED)

Floating Storage Unit (FSU)	Total	Vessel	Built	Age	Yard	Cargo Capacity (cbm)	DWT	Flag
<b>Floating Storage Unit (FSU)</b>	2	FSU Tenaga Satu	2012	11	Malaysia Marine and Heavy Engineering, Malaysia	130,075	-	Malaysia
		FSU Tenaga Empat	2012	11	Keppel Shipyard, Singapore	130,006	-	Malaysia
<b>TOTAL</b>	<b>2</b>					<b>260,081</b>	<b>-</b>	

## LIST OF VESSELS AND ASSETS

As at 31 December 2022

### ETHANE CARRIERS: EXISTING (OWNED)

Class	Total	Vessel	Built	Age	Yard	Cargo Capacity (cbm)	DWT	Flag
Seri E Class	6	Seri Everest	2020	2	Samsung Heavy Industries Co. Ltd., Korea	98,156	59,642	Singapore
		Seri Erlang	2021	2	Samsung Heavy Industries Co. Ltd., Korea	98,171	59,642	Singapore
		Seri Emei	2021	2	Samsung Heavy Industries Co. Ltd., Korea	98,114	59,704	Singapore
		Seri Emory	2021	2	Hyundai Heavy Industries Co. Ltd., Korea	98,020	63,770	Singapore
		Seri Emperor	2021	2	Hyundai Heavy Industries Co. Ltd., Korea	98,108	63,766	Singapore
		Seri Elbert	2021	2	Hyundai Heavy Industries Co. Ltd., Korea	98,171	63,766	Singapore
<b>TOTAL</b>	<b>6</b>					<b>588,740</b>	<b>370,290</b>	

### LNG BUNKER VESSEL: EXISTING (IN-CHARTERED)

LBV	1	Avenir Advantage	2020	2	Keppel Offshore & Marine (Nantong)	7,454	4,346	Malaysia
<b>TOTAL</b>	<b>1</b>					<b>7,454</b>	<b>4,346</b>	

## LIST OF VESSELS AND ASSETS

As at 31 December 2022

### NEWBUILDINGS

Class	Total	Vessel	Built	Age	Yard	Cargo Capacity (cbm)	DWT	Flag
LNG Carrier	2	Hull No. 2364 ****	2023		Samsung Heavy Industries	174,000	87,400	Singapore
		Hull No. 2365 ****	2023		Samsung Heavy Industries	174,000	87,400	Singapore
	2	Hull No. 2570	2026		Daewoo Shipbuilding & Marine Engineering Co., Ltd.	174,000	82,670	Singapore
		Hull No. 2571	2026		Daewoo Shipbuilding & Marine Engineering Co., Ltd.	174,000	82,670	Singapore
	12	Hull No. 1797A ****	2025		Hudong-Zhonghua Shipbuilding (Group) Co., Ltd	174,000	80,280	Singapore
		Hull No. 1798A ****	2025		Hudong-Zhonghua Shipbuilding (Group) Co., Ltd	174,000	80,280	Singapore
		Hull No. 1799A ****	2026		Hudong-Zhonghua Shipbuilding (Group) Co., Ltd	174,000	80,280	Singapore
		Hull No. 1800A ****	2026		Hudong-Zhonghua Shipbuilding (Group) Co., Ltd	174,000	80,280	Singapore
		Hull No. 1801A ****	2026		Hudong-Zhonghua Shipbuilding (Group) Co., Ltd	174,000	80,280	Singapore
		Hull No. 3395 ****	2025		Hyundai Heavy Industries Co. Ltd., Korea	174,000	TBC	Singapore
		Hull No. 3396 ****	2025		Hyundai Heavy Industries Co. Ltd., Korea	174,000	TBC	Singapore
		Hull No. 3397 ****	2026		Hyundai Heavy Industries Co. Ltd., Korea	174,000	TBC	Singapore
		Hull No. 3398 ****	2026		Hyundai Heavy Industries Co. Ltd., Korea	174,000	TBC	Singapore
		Hull No. 3399 ****	2026		Hyundai Heavy Industries Co. Ltd., Korea	174,000	TBC	Singapore
		Hull No. 3400 ****	2026		Hyundai Heavy Industries Co. Ltd., Korea	174,000	TBC	Singapore
		Hull No. 3401 ****	2026		Hyundai Heavy Industries Co. Ltd., Korea	174,000	TBC	Singapore
<b>TOTAL</b>	<b>16</b>					<b>2,784,000</b>	<b>741,540</b>	

\*\*\*\* Jointly owned with NYK, K-Line and CLNG

\*\*\*\*\* Hull No. 2364 &amp; Hull No. 2365 were named as Seri Damai and Seri Daya respectively. Seri Damai was successfully delivered on 31 January 2023.

## LIST OF VESSELS AND ASSETS

As at 31 December 2022

PETROLEUM AND PRODUCT VESSELS (OWNED)							
Type	Total	Vessel	Built	Age	Yard	DWT	Flag
<b>VLCC</b>	10	Bunga Kasturi Lima	2007	15.3	Universal Shipbuilding Corporation	300,246	Malaysia
		Bunga Kasturi Enam	2008	14.8	Universal Shipbuilding Corporation	299,319	Malaysia
		Eagle Vancouver	2013	10.0	Daewoo Shipbuilding and Marine Engineering	311,922	Singapore
		Eagle Varna	2013	9.8	Daewoo Shipbuilding and Marine Engineering	311,922	Singapore
		Eagle Verona	2013	9.3	Daewoo Shipbuilding and Marine Engineering	320,122	Isle of Man
		Eagle Versailles	2013	9.1	Daewoo Shipbuilding and Marine Engineering	320,122	Isle of Man
		Eagle Victoria	2016	6.1	Hyundai Heavy Industries (Gunsan)	299,392	Singapore
		Eagle Venice	2016	6.2	Hyundai Heavy Industries (Gunsan)	300,342	Singapore
		Eagle Valence (LNG Dual Fuel)	2022	0.8	Samsung Heavy Industries	299,244	French
		Eagle Vallery (LNG Dual Fuel)	2022	0.7	Samsung Heavy Industries	299,473	Malaysia
<b>Suezmax</b>	6	Eagle San Antonio	2012	10.7	Samsung Heavy Industries	157,850	Singapore
		Eagle San Diego	2012	10.5	Samsung Heavy Industries	157,850	Singapore
		Eagle San Juan	2012	10.3	Samsung Heavy Industries	157,850	Singapore
		Eagle San Pedro	2012	10.2	Samsung Heavy Industries	157,850	Singapore
		Eagle San Francisco	2018	4.9	Hyundai Heavy Industries	157,512	Malta
		Eagle San Jose	2018	4.9	Hyundai Heavy Industries	157,512	Malta

## LIST OF VESSELS AND ASSETS

As at 31 December 2022

PETROLEUM AND PRODUCT VESSELS (OWNED)							
Type	Total	Vessel	Built	Age	Yard	DWT	Flag
<b>Aframax</b>	18	Eagle Kuching	2009	13.2	Tsuneishi Shipbuilding	107,481	Singapore
		Eagle Kuantan	2010	12.8	Tsuneishi Shipbuilding	107,481	Singapore
		Eagle Kangar	2010	12.5	Tsuneishi Shipbuilding	107,481	Singapore
		Eagle Klang	2010	12.2	Tsuneishi Shipbuilding	107,481	Singapore
		Eagle Kinabalu	2011	12.0	Tsuneishi Shipbuilding	107,481	Singapore
		Eagle Kinarut	2011	11.7	Tsuneishi Shipbuilding	107,481	Singapore
		Eagle Louisiana	2011	11.6	Tsuneishi Shipbuilding	107,481	Marshall Islands
		Eagle Texas	2011	11.3	Tsuneishi Shipbuilding	107,481	Marshall Islands
		Eagle Hanover	2010	12.6	Sungdong Shipbuilding and Marine Engineering	114,014	Isle of Man
		Eagle Hamilton	2010	12.5	Sungdong Shipbuilding and Marine Engineering	114,022	Isle of Man
		Eagle Helsinki	2010	12.4	Sungdong Shipbuilding and Marine Engineering	114,164	Isle of Man
		Eagle Hatteras	2010	12.2	Sungdong Shipbuilding and Marine Engineering	114,164	Isle of Man
		Eagle Halifax	2010	12.1	Sungdong Shipbuilding and Marine Engineering	114,164	Isle of Man
		Eagle Hydra	2011	12.0	Sungdong Shipbuilding and Marine Engineering	114,164	Isle of Man
		Eagle Barcelona	2018	4.9	Samsung Heavy Industries	113,327	Singapore
		Eagle Brisbane	2018	4.8	Samsung Heavy Industries	113,327	Singapore
		Eagle Brasilia (LNG Dual Fuel)	2019	4.0	Samsung Heavy Industries	113,416	Singapore
		Eagle Bintulu (LNG Dual Fuel)	2019	3.9	Samsung Heavy Industries	113,049	Malaysia

## LIST OF VESSELS AND ASSETS

As at 31 December 2022

PETROLEUM AND PRODUCT VESSELS (OWNED)							
Type	Total	Vessel	Built	Age	Yard	DWT	Flag
DP2 Shuttle Tanker	17	Eagle Paraiba	2012	10.6	Samsung Heavy Industries	105,153	Malaysia
		Eagle Parana	2012	10.5	Samsung Heavy Industries	105,153	Malaysia
		Eagle Barents	2015	7.8	Samsung Heavy Industries	119,690	Bahamas
		Eagle Bergen	2015	7.7	Samsung Heavy Industries	120,657	Bahamas
		Eagle Blane (LNG Dual Fuel)	2020	2.9	Samsung Heavy Industries	128,427	Norway
		Eagle Balder (LNG Dual Fuel)	2020	2.8	Samsung Heavy Industries	128,442	Norway
		Eagle Petrolina	2020	2.6	Samsung Heavy Industries	153,227	Singapore
		Eagle Paulinia	2020	2.5	Samsung Heavy Industries	153,352	Singapore
		Eagle Paraiso	2020	2.3	Samsung Heavy Industries	153,265	Singapore
		Eagle Passos	2020	2.1	Samsung Heavy Industries	153,291	Singapore
		Eagle Pilar	2021	2.0	Samsung Heavy Industries	153,184	Singapore
		Eagle Campos	2022	1.0	Hyundai Heavy Industries	154,325	Malaysia
		Eagle Canoas	2022	0.8	Hyundai Heavy Industries	154,336	Singapore
		Eagle Colatina	2022	0.8	Samsung Heavy Industries	155,363	Singapore
		Eagle Colombo	2022	0.6	Hyundai Heavy Industries	154,365	Singapore
		Eagle Cambe	2022	0.6	Samsung Heavy Industries	155,414	Singapore
		Eagle Crato	2022	0.4	Samsung Heavy Industries	155,397	Singapore
LR2	2	Eagle Le Havre	2017	5.5	Hyundai Heavy Industries (Gunsan)	113,905	French
		Eagle Lyon	2017	5.4	Hyundai Heavy Industries (Gunsan)	113,808	Singapore
Workboats	7	ELS Maite *	1975	48.0	Zigler Shipyard	1,023	Uruguay
		Didi K *	2008	14.7	Guangzhou Hangtong Shipbuilding & Shipping Co., Ltd	1,371	Uruguay
		AET Innovator	2011	11.1	Leevac Industries, LLC	1,475	USA
		AET Excellence	2012	10.9	Leevac Industries, LLC	1,475	USA
		AET Partnership	2012	10.7	Leevac Industries, LLC	1,475	USA
		AET Responsibility	2012	10.4	Leevac Industries, LLC	1,475	USA
		Olivia *	2008	15.0	Candies Shipbuilders, LLC	1,227	Uruguay
<b>Total Owned</b>	<b>60</b>					<b>8,646,460</b>	

\* Jointly owned through a Joint Venture

## LIST OF VESSELS AND ASSETS

As at 31 December 2022

PETROLEUM AND PRODUCT VESSELS (IN-CHARTERED)							
Type	Total	Vessel	Built	Age	Yard	DWT	Flag
Aframax	2	Pacific Ruby (LNG Dual Fuel)	2021	1.7	Samsung Heavy Industries	113,306	Marshall Islands
		Pacific Pearl (LNG Dual Fuel)	2021	1.2	Samsung Heavy Industries	113,306	Marshall Islands
Workboats	3	Annabelle Miller	2009	13.2	Master Boat Builders, Inc., Coden, AL	1,261	USA
		NS Loreto	2007	16.0	Maclaren IC Estaleiros e Servicos S.A.	1,557	Brazil
		Amy Chouest	1993	29.3	North American Shipbuilding, Larose, LA, USA	2,919	Brazil
Chemical Products	3	Bunga Lavender	2010	12.0	Fukuoka Shipyard	19,997	Panama
		Bunga Lilac	2011	11.7	Fukuoka Shipyard	19,992	Panama
		Bunga Lily	2011	11.4	Fukuoka Shipyard	19,991	Panama
<b>Total In-chartered</b>	<b>8</b>					<b>292,329</b>	
<b>TOTAL</b>	<b>68</b>					<b>8,938,788</b>	
NEWBUILDINGS							
VLCC (LNG Dual Fuel)		HN 5499	2023		Daewoo Shipbuilding and Marine Engineering	300,000	TBC
VLCC (LNG Dual Fuel)		HN 5500	2023		Daewoo Shipbuilding and Marine Engineering	300,000	TBC
VLCC (LNG Dual Fuel)		HN 5506	2023		Daewoo Shipbuilding and Marine Engineering	300,000	TBC
<b>Total Newbuildings</b>	<b>3</b>					<b>900,000</b>	

## LIST OF VESSELS AND ASSETS

As at 31 December 2022

### OFFSHORE FLOATING PRODUCTION SYSTEMS

Type	Total	Facility	Built	Yard	Design Production Capacity (bpd)	Storage Capacity (bbls)
Floating Production Storage and Offloading (FPSO)		FPSO Bunga Kertas	2004	Malaysia Marine and Heavy Engineering, Malaysia	30,000	619,000
		FPSO Kikeh *	2007	Malaysia Marine and Heavy Engineering, Malaysia	120,000	2,000,000
		FPSO Espirito Santo *	2009	Keppel Shipyard, Singapore	100,000	2,020,000
		FPSO Ruby II **	2010	Malaysia Marine and Heavy Engineering, Malaysia	39,000	745,000
		FPSO Cendor	2014	Malaysia Marine and Heavy Engineering, Malaysia	35,000	745,000
		MAMPU 1	2015	Malaysia Marine and Heavy Engineering, Malaysia	10,000	350,000
<b>TOTAL</b>	<b>6</b>				<b>334,000</b>	<b>6,479,000</b>

Floating Storage and Offloading (FSO)		FSO Puteri Dulang	1991	Mitsubishi Heavy Industries, Japan	-	873,847
		FSO Orkid **	2009	Malaysia Marine and Heavy Engineering, Malaysia	-	777,504
		FSO Benchamas 2	2018	Malaysia Marine and Heavy Engineering, Malaysia	-	650,000
		FSO Mekar Bergading	2018	Malaysia Marine and Heavy Engineering, Malaysia	-	710,100
		FSO Golden Star **	2020	Malaysia Marine and Heavy Engineering, Malaysia	-	793,566
<b>TOTAL</b>	<b>5</b>				<b>-</b>	<b>3,805,017</b>

Semi-Submersible Floating Production System (Semi-FPS)		Gumusut Kakap	2013	Malaysia Marine and Heavy Engineering, Malaysia	150,000	-
<b>TOTAL</b>	<b>1</b>				<b>150,000</b>	<b>-</b>

### TOTAL OFFSHORE FLOATING FACILITIES

12

### UNDER CONVERSION

Floating Production Storage and Offloading (FPSO)	1	FPSO Marechal Duque de Caxias	2020 (Conversion) 2024 (Completion)	Yantai CIMC Raffles Offshore Limited	180,000	1,400,000
<b>TOTAL</b>	<b>1</b>				<b>180,000</b>	<b>1,400,000</b>

\* Jointly owned with SBM Offshore

\*\* Jointly owned with Petroleum Technical Services Corporation (PTSC)

## STATISTICS ON SHAREHOLDINGS

As at 28 February 2023

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	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital#
Less than 100	1,169	15.97	8,506	0.00
100 - 1,000	2,045	27.94	1,166,501	0.03
1,001 - 10,000	2,610	35.66	10,193,768	0.23
10,001 - 100,000	900	12.30	31,236,944	0.70
100,001 to less than 5% of issued shares	592	8.09	1,379,750,456	30.91
5% and above of issued shares	3	0.04	3,041,389,528	68.13
<b>Total</b>	<b>7,319</b>	<b>100.00</b>	<b>4,463,745,703</b>	<b>100.00</b>

# Excludes 47,400 ordinary shares bought back by the Company and held as treasury shares as at 28 February 2023

### DIRECTORS' SHAREHOLDINGS IN THE COMPANY

No.	Name of Directors	No. of Shares			
		Direct Interest	%	Indirect Interest	%
1	Datuk Abu Huraira Abu Yazid	-	-	-	-
2	Captain Rajalingam Subramaniam	-	-	-	-
3	Dato' K Sekhar S Krishnan	-	-	-	-
4	Datuk Nasarudin Md Idris	-	-	-	-
5	Datin Norazah Mohamed Razali	-	-	-	-
6	Dato' Ab. Halim Mohyiddin	-	-	-	-
7	Dato' Rozalila Abdul Rahman	-	-	-	-
8	Mohammad Suhaimi Mohd Yasin	-	-	-	-
9	Chew Liong Kim	-	-	-	-
10	Dato' Tengku Marina Tunku Annuar	-	-	-	-
11	Liza Mustapha	-	-	-	-
12	Wan Shamilah Wan Muhammad Saidi	-	-	-	-

## STATISTICS ON SHAREHOLDINGS

As at 28 February 2023

### DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATIONS

#### Malaysia Marine and Heavy Engineering Holdings Berhad

No.	Name of Directors	Direct Interest	No. of Shares		%
			%	Indirect Interest	
1	Captain Rajalingam Subramaniam	10,000	0.00	–	–
2	Dato' Ab. Halim Mohyiddin	5,000	0.00	–	–
3	Datuk Nasarudin Md Idris	10,000	0.00	–	–

#### PETRONAS Gas Berhad

No.	Name of Directors	Direct Interest	No. of Shares		%
			%	Indirect Interest	
1	Dato' Ab. Halim Mohyiddin	5,000	0.00	–	–
2	Datuk Nasarudin Md Idris	3,000	0.00	–	–

#### KLCC Property Holdings Berhad and KLCC Real Estate Investment Trust

No.	Name of Directors	Direct Interest	No. of Stapled Securities		%
			%	Indirect Interest	
1	Datuk Nasarudin Md Idris	5,000	0.00	–	–

#### PETRONAS Chemicals Group Berhad

No.	Name of Directors	Direct Interest	No. of Shares		%
			%	Indirect Interest	
1	Dato' Ab. Halim Mohyiddin	10,000	0.00	–	–
2	Datuk Nasarudin Md Idris	10,000	0.00	–	–
3	Mohammad Suhaimi Mohd Yasin	6,000	0.00	–	–
4	Wan Shamilah Wan Muhammad Saidi	6,000	0.00	–	–

### SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	Direct Interest	No. of Shares		%
			% <sup>#</sup>	Indirect Interest	
1	Petroleum Nasional Berhad	2,276,583,900	51.00	–	–
2	Employees Provident Fund Board	589,855,511	13.21	–	–
3	Kumpulan Wang Persaraan (Diperbadankan)	232,126,800	5.20	11,720,500	0.26

<sup>#</sup> Excludes 47,400 ordinary shares bought back by the Company and held as treasury shares as at 28 February 2023

## STATISTICS ON SHAREHOLDINGS

As at 28 February 2023

### 30 LARGEST SHAREHOLDERS AS AT 28 FEBRUARY 2023

No.	Name of Shareholders	No. of Shares	% <sup>#</sup>
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	532,678,828	11.93
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	232,126,800	5.20
4	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM BUMIPUTERA	205,182,800	4.60
5	STATE FINANCIAL SECRETARY SARAWAK	67,466,667	1.51
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (415321)	51,891,800	1.16
7	PENANG DEVELOPMENT CORPORATION	50,800,000	1.14
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	45,822,560	1.03
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (1)	34,800,000	0.78
10	PERMODALAN NASIONAL BERHAD	31,817,200	0.71
11	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM MALAYSIA	30,160,200	0.68
12	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM MALAYSIA 3	28,868,200	0.65
13	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	26,816,820	0.60
14	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	24,444,396	0.55
15	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	22,654,702	0.51
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC ITTIKAL FUND (N14011970240)	21,987,600	0.49
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	21,743,100	0.49
18	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM BUMIPUTERA 2	19,428,300	0.44
19	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	17,261,000	0.39
20	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	16,963,800	0.38

## STATISTICS ON SHAREHOLDINGS

As at 28 February 2023

### 30 LARGEST SHAREHOLDERS AS AT 28 FEBRUARY 2023 (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	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	14,288,200	0.32
24	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC DIVIDEND FUND	13,900,360	0.31
25	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM MALAYSIA 2 - WAWASAN	13,260,500	0.30
26	HSBC NOMINEES (ASING) SDN BHD JPMSE LUX FOR ROBECO CAPITAL GROWTH FUNDS	12,379,800	0.28
27	CITIGROUP NOMINEES (ASING) SDN BHD CB SPORE GW FOR GOVERNMENT OF SINGAPORE (GIC C)	11,769,699	0.26
28	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	11,575,813	0.26
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	11,159,483	0.25
30	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	10,248,258	0.23
<b>TOTAL</b>		<b>3,891,071,986</b>	<b>87.19</b>

# Excludes 47,400 ordinary shares bought back by the Company and held as treasury shares as at 28 February 2023

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Chairman, Independent Non-Executive Director

**Datuk Abu Huraira Abu Yazid**

Senior Independent Non-Executive Director

**Dato' Sekhar Krishnan**

Independent Non-Executive Directors

**Datuk Nasarudin Md Idris**

**Datin Norazah Mohamed Razali**

**Dato' Ab. Halim Mohyiddin**

**Dato' Rozalila Abdul Rahman**

**Dato' Tengku Marina Tunku Annuar**

**Mohammad Suhaimi Mohd Yasin**

**Chew Liong Kim**

Non-Independent Non-Executive Directors

**Liza Mustapha**

**Wan Shamilah Wan Muhammad Saidi**

President/Group Chief Executive Officer

Non-Independent Executive Director

**Capt. Rajalingam Subramaniam**

#### BOARD AUDIT COMMITTEE

Chairman

**Dato' Sekhar Krishnan**

Members

**Datuk Nasarudin Md Idris**

**Dato' Ab. Halim Mohyiddin**

**Chew Liong Kim**

#### NOMINATION & REMUNERATION COMMITTEE

Chairman

**Datuk Nasarudin Md Idris**

Members

**Dato' Rozalila Abdul Rahman**

**Datin Norazah Mohamed Razali**

#### BOARD SUSTAINABILITY & RISK COMMITTEE

Chairman

**Datin Norazah Mohamed Razali**

Members

**Dato' Sekhar Krishnan**

**Dato' Ab. Halim Mohyiddin**

**Dato' Tengku Marina Tunku Annuar**

**Mohammad Suhaimi Mohd Yasin**

#### COMPANY SECRETARIES

**Ausmal Kardin**

(LS 0009383)

(SSM PC No. 201908001749)

**Noridah Khamis**

(LS 0010240)

(SSM PC No. 201908001731)

#### REGISTERED OFFICE

Level 25, Menara Dayabumi

Jalan Sultan Hishamuddin

50050 Kuala Lumpur

Tel: +603 2264 0888

Fax: +603 2273 6602

Website: www.misc.com.my

Email: miscweb@miscbhd.com

#### FORM OF LEGAL ENTITY

Incorporated on 6 November 1968 as a public company limited by shares under the Companies Act, 1965

#### PLACE OF INCORPORATION AND DOMICILE

Malaysia

#### STOCK EXCHANGE LISTING

**Main Market of Bursa Malaysia Securities Berhad**

Stock Name: MISC

Stock Code: 3816

#### AUDITORS

**Ernst & Young PLT**

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

Tel: +603 7495 8000

Fax: +603 2095 5332

#### SHARE REGISTRAR

**Boardroom Share Registrars Sdn. Bhd.**

11<sup>th</sup> 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

## LIST OF ABBREVIATIONS

ABC	Anti-Bribery and Corruption	CDG	Corporate Disclosure Guidelines
ABMS	Anti-Bribery Management System (ISO 37001:2016)	CEO	Chief Executive Officer
ACAs	Agreed Corrective Actions	CFP	PETRONAS Corporate Financial Policy
AGM	Annual General Meeting	CG	Corporate governance
AIAP	Annual Internal Audit Plan	CGU	Cash generating unit
ALAM	Akademi Laut Malaysia	CII	Carbon Intensity Indicator
ASC	Advanced Safety Communication	CLNG	China LNG Shipping (Holdings) Limited
BAC	Board Audit Committee	CoBE	Code of Conduct and Business Ethics
bbls	Barrels	Company/Corporation	MISC Berhad
BCM	Business Continuity Management	COSO	Committee of Sponsoring Organisations of the Treadway Commission
BCP	Business Continuity Planning	CPP	Central processing platform
BGRC	Board Governance and Risk Committee	CSA	Chamber of Shipping of America
Board	The Board of Directors of MISC Berhad	DJSI	Dow Jones Sustainability Indices
bpd	Barrels per day	DPST	Dynamic positioning shuttle tanker
BSRC	Board Sustainability and Risk Committee	DWT	Deadweight tonnage
Bursa Securities	Bursa Malaysia Securities Berhad	ECL	Expected credit loss
CAPEX	Capital expenditure	EEXI	Energy Efficiency Existing Ship Index
cbm	Cubic metre	EIR	Effective interest rate
CCS	Carbon Capture and Storage	EPC	Engineering, procurement and construction
CCUS	Carbon Capture, Utilisation and Storage		

## LIST OF ABBREVIATIONS

EPCIC	Engineering, procurement, construction, installation and commissioning	FY2021	Financial year ended 31 December 2021
		FY2022	Financial year ended 31 December 2022
		FY2023	Financial year ended 31 December 2023
EPCICODD	Engineering, procurement, construction, installation, commissioning, operations & maintenance, decommissioning and demobilisation	GAS	Gas Assets & Solutions
		GHG	Greenhouse gas
		GHSSE	Group Health, Safety, Security and Environment
ERM	Enterprise risk management	GIA	Group Internal Audit
ESG	Environmental, social and governance	GKL	Gumusut-Kakap Semi-Floating Production System (L) Limited
ETS	Emissions Trading System	GMTN	Global Medium Term Note
FEED	Front-End Engineering Design	HSE	Health, safety and environment
FLNG	Floating liquefied natural gas	HSSE	Health, safety, security and environment
FPS	Floating production system	IAR	Integrated Annual Report
FPSO	Floating production storage and offloading	ICT	Information and communications technology
FSO	Floating storage and offloading	IFRS	International Financial Reporting Standards
FSRU	Floating storage regasification unit	IFSSC	PETRONAS Integrated Financial Shared Services Centre
FSU	Floating storage unit	IMO	International Maritime Organisation
FVLCS	Fair value less costs of disposal	INEDs	Independent Non-Executive Directors
FVOCI	Fair value through other comprehensive income		
FVTPL	Fair value through profit or loss		

## LIST OF ABBREVIATIONS

IRS	Interest rate swaps	MMS	MISC Maritime Services Sdn. Bhd.
ISO	International Organization for Standardization	MOU	Memorandum of Understanding
K-Line	Kawasaki Kisen Kaisha, Ltd.	MPA	Maritime and Port Authority of Singapore
KAM	Key Audit Matters	MSOSH	Malaysian Society for Occupational Safety and Health
KPI	Key performance indicator	NEDs	Non-Executive Directors
KPOC	Kebabangan Petroleum Operating Company Sdn. Bhd.	NINEDs	Non-Independent Non-Executive Directors
KRI	Key risk indicator	NRC	Nomination and Remuneration Committee
LBV	LNG bunker vessel	NYK	Nippon Yusen Kabushiki Kaisha
LNG	Liquefied natural gas	O&G	Oil and gas
LNGC	LNG carrier	OBU	Offshore Business
LOA	Limits of Authority	OPEC	Organization of the Petroleum Exporting Countries
LTI	Lost time injury	OSH	Occupational safety and health
LTIF	Lost time injury frequency	OSVIS	Offshore Support Vessel Inspection System
MC	Management Committee	OVMISA	Offshore Vessel Management and Self Assessment
MCCG	Malaysian Code on Corporate Governance	PCSB	PETRONAS Carigali Sdn. Bhd.
MCV	Modular capture vessel	PETRONAS	Petroliam Nasional Berhad
MFRS	Malaysian Financial Reporting Standards	PETRONAS Group	PETRONAS and its subsidiaries
MHB	Malaysia Marine and Heavy Engineering Holdings Berhad	PRA	Project Risk Assessment
MISC/the Group	MISC Berhad and its subsidiaries, joint ventures and associate companies	PTT	Petroleum Authority of Thailand
MMHE	Malaysia Marine and Heavy Engineering Sdn. Bhd.	RM	Ringgit Malaysia
MMLR	Main Market Listing Requirements	RMC	Risk Management Committee

## LIST OF ABBREVIATIONS

RMMS	Roving Marine Marshall Services
RPTs	Related party transactions
RRPTs	Recurrent related party transactions
SICDA	Securities Industry (Central Depositories) Act 1991
SPM	Single Point Mooring
SORMIC	Statement on Risk Management and Internal Control
SRM	SeaRiver Maritime LLC
SSPC	Sabah Shell Petroleum Limited
STCW	Standards of Training, Certification and Watchkeeping
STS	Ship-to-ship
TBC	To be confirmed
TCFD	Task Force on Climate-related Financial Disclosures
TMSA	Tanker Management Self-Assessment
TOR	Terms of Reference
TRCF	Total recordable case frequency
UNSDGs	United Nations Sustainable Development Goals
USD	United States Dollar
VIS	Vessel Inspection System
VIU	Value-in-use
VLCC	Very large crude carrier
VLEC	Very large ethane carrier
ZEV	Zero-carbon emission vessel

# ANNUAL GENERAL MEETING

Notice of Annual General Meeting	266
Administrative Notes Relating to the 54 <sup>th</sup> Annual General Meeting	271
Form of Proxy	

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Fourth Annual General Meeting (“54<sup>th</sup> AGM”) of MISC Berhad (“MISC” or “the Company”) will be held on a virtual basis and entirely 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 Tuesday, 18 April 2023 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 2022 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire pursuant to Rule 21.7 of the Company’s Constitution and, being eligible, offer themselves for re-election:
  - (i) Captain Rajalingam Subramaniam
  - (ii) Wan Shamilah Wan Muhammad Saidi
3. 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) Datin Norazah Mohamed Razali
  - (ii) Mohammad Suhaimi Mohd Yasin
  - (iii) Liza Mustapha
4. To approve the payment of Directors’ fees (inclusive of benefits-in-kind) up to an amount of RM2,870,000.00 from 19 April 2023 until the conclusion of the next Annual General Meeting of the Company.
5. To re-appoint Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

### As Special Business

To consider and, if thought fit, to pass the following resolution, with or without modifications:

6. **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”)**

“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;

### Ordinary Resolution 1

### Ordinary Resolution 2

### Ordinary Resolution 3

### Ordinary Resolution 4

### Ordinary Resolution 5

### Ordinary Resolution 6

### Ordinary Resolution 7

### Ordinary Resolution 8

# 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-Fifth Annual General Meeting of MISC (“55<sup>th</sup> AGM”); or
- (ii) the expiration of the period within which the 55<sup>th</sup> 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.”

7. 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  
 17 March 2023  
 Kuala Lumpur

## NOTICE OF ANNUAL GENERAL MEETING

### Explanatory Notes on Ordinary Business

#### 1. Audited Financial Statements for the financial year ended 31 December 2022

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 pursuant to Rule 21.7 of the Company's Constitution

Rule 21.7 provides that a Director appointed in addition to the existing Directors or to fill a casual vacancy, shall hold office until the next following Annual General Meeting of the Company when he/she shall retire and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.

The Board has endorsed the Nomination & Remuneration Committee's recommendation that the Directors who retire in accordance with Rule 21.7 of the Company's Constitution are eligible to stand for re-election. The profiles of the retiring Directors are set out in the Profiles of Board of Directors on pages 156 to 161 (inclusive) of the Company's Integrated Annual Report 2022.

#### 3. 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 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 there were no adverse findings on the retiring Directors arising from the last Board performance evaluation. The profiles of the retiring Directors are set out in the Profiles of Board of Directors on pages 156 to 161 (inclusive) of the Company's Integrated Annual Report 2022.

#### 4. 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 19 April 2023 until the conclusion of the next Annual General Meeting of the Company which is estimated to be RM2,870,000.00. The calculation is based on the estimated number of scheduled and/or Special Board and Board Committees' Meetings from 19 April 2023, being the day after the 54<sup>th</sup> 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 2023/2024.

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 pages 172 to 194 of the Corporate Governance Overview Statement in the Company's Integrated Annual Report 2022 for details of the Directors' Fees and Benefits-in-kind for the financial year ended 31 December 2022.

## NOTICE OF ANNUAL GENERAL MEETING

### Explanatory Notes on Special Business

#### 1. Proposed Share Buy-Back Renewal

Ordinary Resolution 8, as proposed under item 6, 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 55<sup>th</sup> AGM of the Company or the expiration of the period within which the 55<sup>th</sup> 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 17 March 2023.

#### Notes:

- 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 54<sup>th</sup> 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 54<sup>th</sup> AGM.
- Only depositors whose names appear in the Record of Depositors as at 11 April 2023 shall be entitled to attend, speak and vote at the meeting.
- 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.
- 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.
- 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.
- 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.

## NOTICE OF ANNUAL GENERAL MEETING

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 11<sup>th</sup> 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 54<sup>th</sup> AGM, or in the event the 54<sup>th</sup> AGM is adjourned, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the adjourned 54<sup>th</sup> 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 note 10 – Steps 1 to 3 of the Administrative Notes relating to the 54<sup>th</sup> 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 54<sup>th</sup> 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 54<sup>TH</sup> 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 54<sup>th</sup> Annual General Meeting ("54<sup>th</sup> AGM") on a virtual basis and entirely via Remote Participation and Electronic Voting ("RPEV") facilities on the date, time and from the Broadcast Venue, as follows:

Date	:	Tuesday, 18 April 2023
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	:	<a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>
Mode of Communication	:	1) Type text in the meeting platform. The Messaging window facility will be opened concurrently with the Virtual Meeting Portal, i.e. one (1) hour before the AGM, which is from <b>9.00 a.m. on Tuesday, 18 April 2023.</b>  2) Email questions in advance to MISC Investor Relations at <a href="mailto:investor.relations@miscbhd.com">investor.relations@miscbhd.com</a> in relation to the agenda items for 54 <sup>th</sup> AGM, commencing from 18 March 2023 and in any event no later than <b>Sunday, 16 April 2023 at 10.00 a.m.</b>  For further details on mode of communication, please refer to note 15 of this Administrative Notes.

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 54<sup>th</sup> AGM remotely via meeting platform <https://meeting.boardroomlimited.my>.

## ADMINISTRATIVE NOTES RELATING TO THE 54<sup>TH</sup> ANNUAL GENERAL MEETING

### VOTING PROCEDURE

1. The voting at the 54<sup>th</sup> 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 to you in the email along with your remote participation User ID and Password; or
  - (ii) access to **Lumi AGM** via website URL <https://meeting.boardroomlimited.my>.
5. Please note that polling will only commence after announcement of poll open by the Chairman and until such time when the Chairman announces the closure of poll.
6. Upon closing 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 54<sup>th</sup> 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.

### REMOTE PARTICIPATION AND ELECTRONIC VOTING (“RPEV”)

8. Please note that the RPEV facilities is available to **(i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees.**
9. 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 54<sup>TH</sup> ANNUAL GENERAL MEETING

10. Kindly follow the steps below on how to request for login ID and password.

### Step 1 – Register Online with Boardroom Smart Investor Portal (for first time registration only)

*Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 – Submit Request for Remote Participation User ID and Password.*

- a. Access website <https://investor.boardroomlimited.com>.
- b. Click <<**Register**>> to sign up as a user and select the correct account type i.e. sign up as “**Shareholder**” or “**Corporate Holder**”.
- c. Complete registration with all required information. Upload a softcopy of your MyKad (front and back) or Passport in JPEG, PNG or PDF format. For corporate holder, kindly attach the authorisation letter as well. Click “**Sign Up**”.
- d. You will receive an email from Boardroom for email address verification. Click “**Verify Email Address**” from the email received to continue with the registration.
- e. Once your email address is verified, you will be re-directed to Boardroom Smart Investor Portal 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.
- f. An email will be sent to you within one (1) business day informing you on the approval of your Boardroom Smart Investor Portal account. You can login to the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> to proceed with the next step.

### Step 2 – Submit Request for Remote Participation User ID and Password

*Note: The registration for remote access will be opened on 18 March 2023.*

#### For Individual/Corporate Shareholders

- Login to <https://investor.boardroomlimited.com> using your User ID and Password from Step 1 above.
- Select “**MISC BERHAD FIFTY-FOURTH (54<sup>TH</sup>) ANNUAL GENERAL MEETING**” from the list of Corporate Meetings and click “**Enter**”.

#### (i) To attend the virtual meeting

- Click on “**Register for RPEV**”.
- Read and agree to the terms & conditions and click “**Next**”.
- Enter your CDS Account Number and thereafter submit your request.

#### (ii) To appoint proxy

- Click on “**Submit eProxy Form**”.
- Select the company you would like to be represented (if more than one, for Corporate Shareholder).
- Enter your CDS Account Number and number of securities held.
- Select your proxy - either the Chairman of the meeting or individual named proxy(ies).
- Read and accept the General Terms and Conditions by clicking “**Next**”.
- Enter the required particulars of your proxy(ies).
- 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**.
- Review and confirm your proxy(ies) appointment.
- Click “**Apply**”.
- Download or print the eProxy Form as acknowledgement.

*Note for Corporate Shareholder : 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 Shareholder (via email)

- Write in to [bsr.helpdesk@boardroomlimited.com](mailto: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.
- Please provide a copy of the Corporate Representative’s or Proxy Holder’s MyKad (front and back) or Passport in JPEG, PNG or PDF format together with his/her email address.

## ADMINISTRATIVE NOTES RELATING TO THE 54<sup>TH</sup> ANNUAL GENERAL MEETING

### For Authorised Nominee and Exempt Authorised Nominee

#### (i) Via Boardroom Smart Investor Portal

- Login to <https://investor.boardroomlimited.com> using your User ID and Password from Step 1 above.
- Select "**MISC BERHAD FIFTY-FOURTH (54<sup>TH</sup>) ANNUAL GENERAL MEETING**" from the list of Corporate Meetings and click "**Enter**".
- Click on "**Submit eProxy Form**".
- Select the company you would like to be represented (if more than one).
- Proceed to download the file format for "**Submission of Proxy Form**".
- Prepare the file for the appointment of proxy(ies) by inserting the required data.
- Proceed to upload the duly completed Proxy Appointment file.
- Review and confirm your proxy(ies) appointment and click "**Submit**".
- 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.*

#### (ii) Via email

- Write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) by providing the name of Shareholder, CDS Account Number accompanied with the Form of Proxy to submit the request.
  - Please provide a copy of the Proxy Holder's MyKad (front and back) or Passport in JPEG, PNG or PDF format together with his/her email address.
- a. You will receive a notification from Boardroom that your request has been received and is being verified.
  - b. Upon system verification of your registration against the **AGM's Record of Depositors as at 11 April 2023**, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
  - c. You will also receive your remote access User ID and Password along with an email from Boardroom if your registration is approved.
  - d. You are encouraged to submit your request **at least twenty-four (24) hours before the commencement of AGM, i.e. by Monday, 17 April 2023 at 10.00 a.m.**, to avoid any delay in the registration process.

### Step 3 – Login to Virtual Meeting Portal

*Note: Please note that the quality of the connectivity to 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 Tuesday, 18 April 2023**.
- 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.

## ADMINISTRATIVE NOTES RELATING TO THE 54<sup>TH</sup> ANNUAL GENERAL MEETING

### LODGEMENT OF FORM OF PROXY

11. Please deposit your completed Form of Proxy at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at **11<sup>th</sup> 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 54<sup>th</sup> AGM, i.e. latest by **Sunday, 16 April 2023 at 10.00 a.m.**
12. Alternatively, the proxy appointment can also be lodged electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time appointed for the holding of the 54<sup>th</sup> AGM, i.e. latest by **Sunday, 16 April 2023 at 10.00 a.m.** For further information, kindly refer to Note 10 – Steps 1 to 3 above.
13. The lodging of the Form of Proxy will not preclude you from personally participating remotely and voting at the 54<sup>th</sup> 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 Boardroom's website at <https://investor.boardroomlimited.com> (Refer to Note 10 - Steps 1 to 3 above). 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](mailto:bsr.helpdesk@boardroomlimited.com) to revoke your earlier proxy appointment no later than **Sunday, 16 April 2023 at 10.00 a.m.**
14. 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.

### MODE OF COMMUNICATION

15. You may email your questions in advance in relation to the agenda items for the 54<sup>th</sup> AGM to MISC Investor Relations at [investor.relations@miscbhd.com](mailto:investor.relations@miscbhd.com) commencing from 18 March 2023. The collection of questions will be closed at the same time as the proxy submission i.e. no later than **Sunday, 16 April 2023 at 10.00 a.m.**

If you have any question for the Chairman/Board during the AGM, you may submit your question using the Messaging window facility which 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 Tuesday, 18 April 2023**.

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.

# ADMINISTRATIVE NOTES RELATING TO THE 54<sup>TH</sup> ANNUAL GENERAL MEETING

## INTEGRATED ANNUAL REPORT 2022 AND CORPORATE GOVERNANCE REPORT

16. The MISC Integrated Annual Report 2022 and Corporate Governance Report are available on Bursa Malaysia Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under Company Announcements of MISC Berhad and also at MISC Berhad's website at [www.misc.com.my/investor-relations](http://www.misc.com.my/investor-relations).
17. Collection of the printed copies of the MISC Integrated Annual Report 2022 during the 54<sup>th</sup> AGM is not available as the AGM will be held on a virtual basis and entirely via RPEV facilities. Printed copies of the MISC Integrated Annual Report 2022 are available by way of your requisition by completing the Requisition Form and returning the completed Requisition Form to the designated address.

## NO RECORDING OR PHOTOGRAPHY

18. Strictly NO recording or photography of the proceedings of the AGM is allowed.

## ENQUIRY

19. Should you have any enquiry prior to the AGM or if you wish to request for technical assistance to participate the AGM, please contact Boardroom team during office hours (8.30 a.m. to 5.30 p.m.):

### Boardroom Share Registrars Sdn. Bhd.

Rozleen Monzali / Farah Amirah Rahmad

Tel: +603 7890 4700

Email: [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

## 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.

## 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-Fourth Annual General Meeting ("54<sup>th</sup> AGM") of the Company to be held fully virtual and entirely 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 Tuesday, 18 April 2023 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 Captain Rajalingam Subramaniam as Director pursuant to Rule 21.7 of the Company's Constitution.	Ordinary Resolution 1		
Re-election of Wan Shamilah Wan Muhammad Saidi as Director pursuant to Rule 21.7 of the Company's Constitution.	Ordinary Resolution 2		
Re-election of Datin Norazah Mohamed Razali as Director pursuant to Rule 21.8 of the Company's Constitution.	Ordinary Resolution 3		
Re-election of Mohammad Suhaimi Mohd Yasin as Director pursuant to Rule 21.8 of the Company's Constitution.	Ordinary Resolution 4		
Re-election of Liza Mustapha as Director pursuant to Rule 21.8 of the Company's Constitution.	Ordinary Resolution 5		
To approve the payment of Directors' fees (inclusive of benefits-in-kind) up to an amount of RM2,870,000.00 from 19 April 2023 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 6		
Re-appointment of Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 7		
Proposed Share Buy-Back Renewal.	Ordinary Resolution 8		

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 \_\_\_\_\_ 2023

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%

Signature(s)/Common Seal of Member(s)

Contact No.: \_\_\_\_\_

Email address: \_\_\_\_\_

**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 54<sup>th</sup> 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 54<sup>th</sup> AGM.
2. Only depositors whose names appear in the Record of Depositors as at 11 April 2023 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 11<sup>th</sup> 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 54<sup>th</sup> AGM, or in the event the 54<sup>th</sup> AGM is adjourned, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the adjourned 54<sup>th</sup> 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 note 10 – Steps 1 to 3 of the Administrative Notes relating to the 54<sup>th</sup> 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 54<sup>th</sup> AGM will be put to vote by poll.

**MISC Berhad**

Annual General Meeting  
18 April 2023



**Boardroom Share Registrars Sdn. Bhd.**

11<sup>th</sup> Floor, Menara Symphony  
No. 5 Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

*eaglestar*

*mms*



[www.misc.com.my](http://www.misc.com.my)

**MISC BERHAD**

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