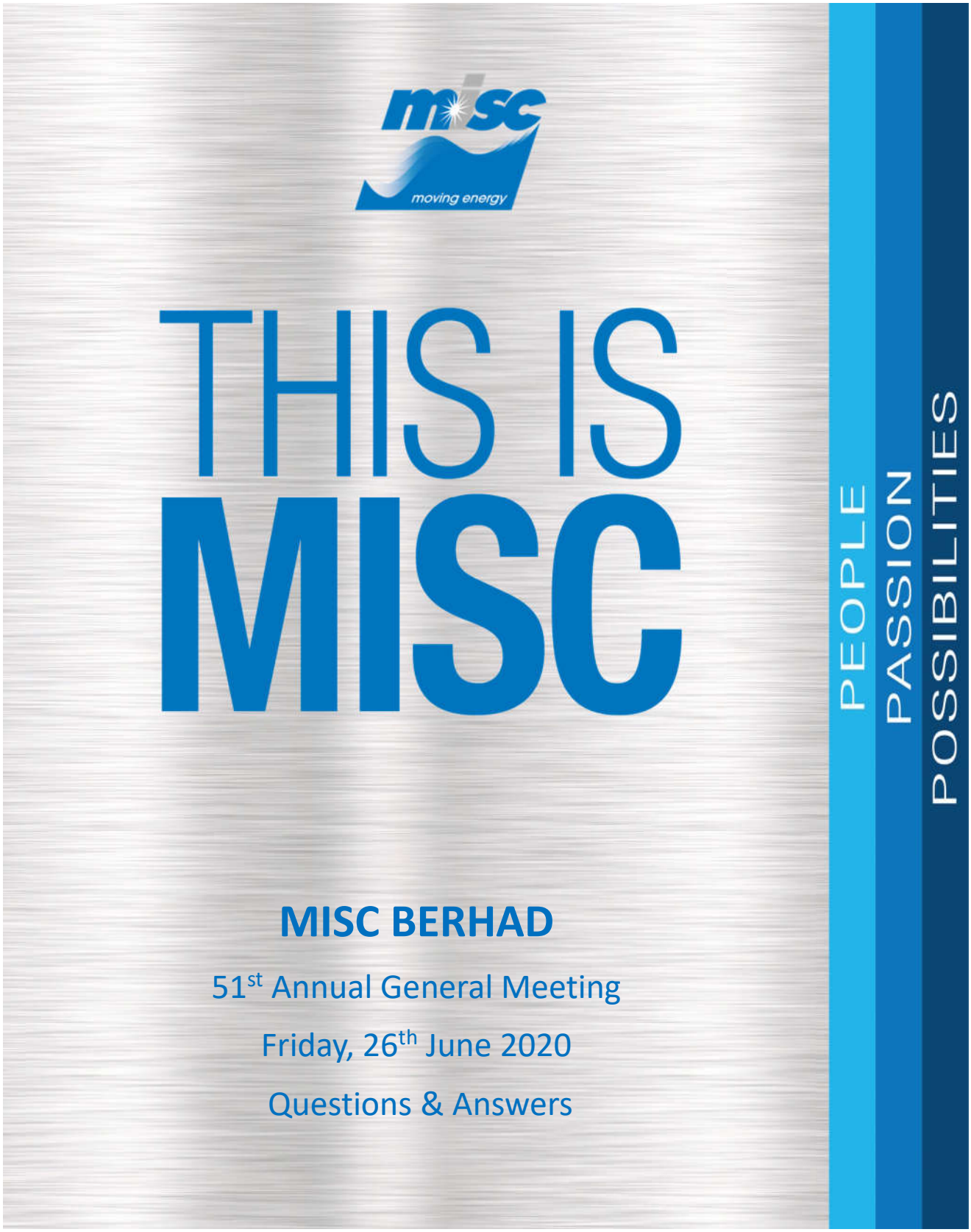


MISC BERHAD

51st Annual General Meeting

Friday, 26th June 2020

Questions & Answers

Note: The questions and feedback have been edited for brevity and clarity.

FINANCIAL

No.	Shareholder's Name	Question
1.	Lim Pin Yeong	There is an impairment of RM215 million in 2019. Will there be further impairment in 2020?
Answer:		
Any decision for impairment in 2020 will be made based on continuous assessment and consultation with the external auditors.		

PERFORMANCE & OUTLOOK

No.	Shareholder's Name	Question
2.	Stephen Lye Tuck Meng	In view of the pandemic and since the Company has been badly affected by the MCO, in which earnings are expected to be depressed, is the Company going to lay off staff and/or cut salaries?
Answer:		
As both the oil and gas, and shipping industries have been classified as essential services globally, there have been minimal disruptions to MISC's operations. Our Group's financial performance is mostly supported by long term contracts which provides us more stable income. Therefore, our Group's earnings were not materially affected by the MCO. As such, there is no plan to lay off any staff and/or cut salaries at this current time. We will consistently monitor our manpower planning and cost to ensure business continuity and sustainability are not at risk, despite the harsh market conditions.		

No.	Shareholder's Name	Question
3.	Hong Kok Chuang	What is the Group's strategy moving forward because of this pandemic?
4.	Lim Pin Yeong	Did the Covid-19 lockdown affect MISC revenue during Q1 & Q2 of 2020?
Answer for questions numbered 3 & 4:		
The Group's existing long-term contracts will continue to support the stable financial performance of the Group. MISC will continue to push forward its growth agenda for the year and the Group is hopeful and have some confidence that some projects currently pursued will be realised.		

No.	Shareholder's Name	Question
5.	Abdul Rahman Gan Bin Abdullah	When there was an oil over capacity and oil prices became negative, did MISC make profit in the US market when there was storage oil over capacity in the months of March and April 2020, especially AET Tankers?
6.	Lim Pin Yeong	During the recent crude oil storage issue, did MISC benefited from the storage shortage?

Answer for questions numbered 5 & 6:

We have minimal opportunity for the storage play as our VLCCs are currently all on term charter. VLCCs are the preferred vessels for the storage play. Nevertheless, our fleet did benefit from the surge in charter rates that benefited most classes of tankers during the period.

No.	Shareholder's Name	Question
7.	Lim Pin Yeong	Does MISC own any FPSO assets?

Answer :

MISC has six (6) FPSO assets: Five (5) in Asia (FPSO Cendor, FPSO Bunga Kertas, FPSO Kikeh, FPSO Ruby II and FPSO Mampu 1) and one (1) in Brazil (FPSO Espirito Santo).

No.	Shareholder's Name	Question
8.	Lim Pin Yeong	Has the capital expenditure ("CAPEX") addressing the ballast water issue been fully completed? If not, what is the likely CAPEX required for ballast water compliance?

Answer:

Ballast water management system ("BWMS") retrofit is currently ongoing. The status of retrofitting to date is as follows:

- Seven (7) LNG vessels have gone through BWMS retrofitting in 2018 and 2019.
- Another forty-eight (48) LNG and Petroleum vessels will go through BWMS retrofitting in 2020-2024.

The cost of BWMS retrofit cost ranges from USD 2 million to USD 2.5 million depending on the size and type of the vessels.

AGM PROCEEDINGS

No.	Shareholder's Name	Question
9.	Lew Kaung Chiau	How many people are participating in the virtual meeting this morning?
Answer:		
There were 132 shareholders and 12 Proxies participating in this virtual AGM.		

DIRECTORS' FEES

No.	Shareholder's Name	Question
10.	Hong Kok Chuang	Do Directors receive a fee for attending this virtual AGM and if so, how much?
Answer:		
The Company's policy for remunerating its Directors is based on the PETRONAS Public Listed Companies Non-Executive Directors' Guidelines and Remuneration Package. We thank the shareholders for your kind understanding.		

PRE-AGM QUESTIONS

No.	Shareholder's Name	Question
1.	Tan Kwong Meng	How do shareholders interactively engage with the Board and Management of the Company during the Q&A?
Answer:		

The Covid-19 pandemic has forced everyone to adapt to a 'New Normal", and this includes how AGMs are conducted. Through the use of technology, MISC has sought to preserve the shareholders' right to speak at our virtual AGM. The right to speak is not limited to verbal communication only but includes other modes of expression, for example real time submission of typed texts. In view thereof, MISC has provided two (2) platforms for shareholders to submit their questions either: -

i) using the Messaging window facility which will be opened concurrently with the Virtual Meeting Portal, i.e. one (1) hour before the AGM; or
ii) via e-mail to MISC Investor Relations at investor.relations@miscbhd.com.

The Chairman/Board will endeavour to respond to the relevant questions during the Q&A Session at the AGM. If there is time constraint, the responses to the relevant questions will be published on the Company's website soonest possible, after the AGM.

No.	Shareholder's Name	Question
2.	Tan Kwong Meng	Why is MISC conducting its 51st AGM fully virtually despite the Movement Control Order having been lifted on 10 June 2020?

Answer:

In view of the current COVID-19 pandemic, the Board of Directors of MISC has decided that the AGM of the Company shall be held fully virtual and entirely via Remote Participation and Electronic Voting to preserve the safety and wellbeing of our staff, Directors, shareholders and other stakeholders. This is consistent with the approach taken across the PETRONAS Group and also in line with the Guidance Note issued by the Securities Commission on 18 April 2020 which encourages companies to continue leveraging technology, even beyond the MCO period, to conduct meetings in a manner that will shareholders to participate remotely.

No.	Shareholder's Name	Question
3.	Tan Kwong Meng	Would door gift and food voucher be dispatched to the shareholder?

Answer:

MISC's priority is to provide its investors with consistent returns in the form of dividends. For the past three (3) years, the Company has declared and paid dividends to the shareholders on quarterly basis.