



INTEGRATED ANNUAL REPORT 2021

MISC BERHAD

53rd Annual General Meeting

Wednesday, 27th April 2022

Questions & Answers

Note: Some questions and answers have been edited for brevity and clarity.

FINANCIAL

No.	Shareholder's Name	Question
1.	Koh Chooi Peng	<p>The Group Financial Review stated that capex of RM3,799.1 million committed for the FPSO facility was excluded from the total commitment on Note 34 of the Financial Statements.</p> <p>(1) Does this amount refer to the Brazilian FPSO project?</p> <p>(2) What is the total investment expected to be incurred for the Brazilian FPSO and amount incurred to date?</p>
Answer:		
<p>(1) Yes, the amount refers to the Brazilian FPSO project.</p> <p>(2) Total investment for the Brazilian FPSO project is approximately USD2.0 billion and we have incurred approximately 30 - 35% as at 31 December 2021, based on finance lease accounting.</p>		

PERFORMANCE & OUTLOOK

No.	Shareholder's Name	Question
1.	Lau Chuan Hooi	What is the Company's future outlook?
Answer:		
<ul style="list-style-type: none"> • GAS: The LNG spot market is looking good in 2022 with healthy spot charter rates. There are a lot of ongoing tenders for LNG time charters. MISC is pursuing some of these tenders and hope to be successful in a few of them. • Petroleum: Six (6) shuttle tankers will enter service for MISC in 2022. This should result in positive cash flow generation from AET. AET is also evaluating a number of prospective projects, focusing on vessels which are 'green' and as future-proof as possible. • OBU: There are plenty of tenders in the FPSO space, including in Brazil and West Africa. Notwithstanding MISC's desire to secure another major FPSO project, MISC's immediate focus is to complete the ongoing Mero 3 Project and to deliver the asset into service by 2024. • MHB: There are good signs of recovery in the first quarter of 2022 which hopefully will sustain for the whole of 2022. Management hopes to deliver better results for MHB in 2022 compared with 2021. 		
No.	Shareholder's Name	Question
2.	Wan Chap @ Yap Kim Tong	Is the huge debt of Sapura Energy Berhad impacting MISC?
Answer:		
<p>Currently MISC does not have any financial exposure to Sapura Energy.</p> <p>However, MHB currently has an ongoing heavy engineering project awarded by SapuraOMV Upstream (Sarawak) Inc – "SapuraOMV", a joint venture between Sapura Energy and OMV Exploration & Production.</p> <p>There are currently minimum receivables due from SapuraOMV and SapuraOMV has been a good paymaster so far. SapuraOMV is also not part of the winding up petition recently initiated against certain Sapura Energy entities. As such, there is no direct impact to MISC.</p> <p>Having said that, MISC (via MHB) will continue to monitor this closely and undertake the necessary measures to mitigate any potential default risk accordingly.</p>		

MATERIAL LITIGATION

No.	Shareholder's Name	Question
1.	Koh Chooi Peng	<p>The latest hearing for the Gumusut-Kakap litigation has been fixed for continued hearing on 16, 17 February and 4 April 2022.</p> <p>(1) Please provide an update on outcome of the hearing.</p> <p>(2) Has the award to SSPC been fully provided in the accounts?</p>
Answer:		
<p>(1) The hearing has not been completed. It is fixed for continued hearing on the 10th and 11th of August 2022.</p> <p>(2) MISC believes that sufficient provision for the award to SSPC has been reflected in MISC's accounts for the financial year ended 31 December 2020.</p>		

HEALTH, SAFETY, SECURITY & ENVIRONMENT (HSSE)

No.	Shareholder's Name	Question
1.	Lee Cheng Keat	<p>Kindly elaborate on the one (1) major cybersecurity incident as reported under page 39 of the Integrated Annual Report 2022.</p>
Answer:		
<p>We encountered malware in two (2) servers. Our vendor has completed its investigations and concluded that there are no other threats nor sign of data taken within the MISC network and servers. Improvement and remediation plans are being implemented to enhance the security posture in MISC.</p>		

CORPORATE GOVERNANCE

No.	Shareholder's Name	Question
1.	Loo Yeo Ming	What are your plans for succession planning for retiring directors?
Answer:		
The MISC Board, through the Nomination & Remuneration Committee, conducts an annual review of the Board composition to ensure continuity and sustainability, with no 'cliff edge' situation, whereby one or more of our Directors retire from the Board simultaneously without any succession plan in place. The MISC Board endeavours to ensure that the Board composition is robust, with sufficient diversity in terms of skills and experience to drive MISC's business strategy. The MISC Board has refreshed its Board composition with the recent appointments of two (2) new Independent Directors to the MISC Board.		

ANNUAL GENERAL MEETING PROCEEDINGS

No.	Shareholder's Name	Question
1.	Teh Peng Tin	How much does the Company spend on this virtual Annual General Meeting?
Answer:		
The cost incurred by MISC to host the Annual General Meeting virtually is lower than the cost of hosting a physical meeting.		
No.	Shareholder's Name	Question
2.	Pang Heng Cheong	Will the Annual General Meeting continue as a virtual meeting once physical meetings are allowed?
Answer:		
MISC will continue to monitor the public health situation in Malaysia before deciding on the appropriate mode of next year's Annual General Meeting.		