

57th Annual General Meeting

#deliveringProgress

Questions & Answers

During AGM – Physical Attendees

Note: Some questions have been edited for brevity & clarity.

QUESTIONS RECEIVED FROM SHAREHOLDERS, PROXIES AND/OR CORPORATE REPRESENTATIVES DURING THE 57TH ANNUAL GENERAL MEETING (AGM) ATTENDED PHYSICALLY AT THE MAIN VENUE

FINANCIAL PERFORMANCE & OUTLOOK

No.	Name of Shareholder/Proxy/Corporate Representative	Question
1.	Wee Ton Wang	Please explain the Group's profit performance over the past few years and in the current year. Why are profits declining and impairments recurring every quarter?
Answer:		
<ul style="list-style-type: none"> Quarterly performance is influenced by market conditions, project timing and accounting adjustments, including impairments on older assets. The recurring impairments relate to our ageing steam LNG carriers (LNGCs), which face declining market demand as the industry transitions to more fuel-efficient vessels. 		

No.	Name of Shareholder/Proxy/Corporate Representative	Question
2.	Wee Ton Wang	Please explain the Group's profit performance over the past years and current year. Why has profit declined in certain quarters, and what impairments were recognised in the latest quarter?
Answer:		
<ul style="list-style-type: none"> Quarterly profit variations reflect timing of one-off items - vessel impairments, finance lease derecognition, and seasonal charter rate movements. Core operational performance remains resilient across segments. 		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
3.	Ho Yueh Weng	How does the Board view the outlook for the current financial year? What are the expectations for the coming year to sustain the Group's performance?
Answer:		
<ul style="list-style-type: none"> • The shipping industry is a cyclical industry. The Group's core earnings continue to be supported primarily by long-term charter contracts across the Gas Assets & Solutions (GAS), Petroleum & Products and Offshore segments. • While certain non-recurring items were recorded during the year, Management remains focused on strengthening recurring earnings quality through fleet rejuvenation, higher asset utilisation and long-term contract coverage. • Our priority going forward is sustainable cash flow generation and long-term earnings resilience. 		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
4.	Ho Yueh Weng	<p>With respect to the Group's unutilised tax losses, including unabsorbed capital allowances and deductible tax losses that are set to expire by the end of 2027, it appears that a significant portion remain unutilised.</p> <p>Could the Board explain why these have not been fully utilised to date and outline the measures in place to ensure they are utilised effectively going forward?</p> <p>Additionally, could the Board indicate when and how these tax benefits could be realised?</p>
Answer:		
<ul style="list-style-type: none"> • The Group's unutilised tax losses have not been fully utilised primarily due to the continued availability of full tax exemption on its shipping operations. Given this scenario, the Group will continue to evaluate and pursue appropriate strategic initiatives to optimise the utilisation of these tax losses. The unabsorbed capital allowances, on the other hand, may be carried forward indefinitely for offset against future taxable profits. 		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
5.	Ho Yueh Weng	<p>In relation to MISC's subsidiary Malaysia Marine and Heavy Engineering Holdings Berhad (MHB), there appear to be concerns regarding investment performance, including significant write-offs and limited visibility in certain investments, which are not clearly reflected in the Group's consolidated accounts.</p> <p>In addition, MHB's profitability and earnings have declined, with reasons often attributed to contract completions and a lack of new profitable contracts, while competition appears to be intensifying.</p> <p>In this regard, could the Board provide insights into MHB's current strategy to address these challenges, and outline the expected recovery plan, including the timeline for improvements in performance?</p>
Answer:		
<ul style="list-style-type: none"> • MHB remains a strategic part of the MISC Group, supporting our offshore and marine ecosystem capabilities. • MHB's transformation efforts over the past few years have translated into positive financial performance in FY2024 and FY2025. • Moving forward, MHB will continue to focus on three main areas: achieving project delivery excellence, maintaining a high-quality orderbook and sustaining its current initiatives to ensure they deliver on their objectives. 		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
6.	Ho Yueh Weng	Could the Board elaborate on MISC's role in overseeing MHB's performance? Specifically, how does MISC ensure that appropriate key performance indicators (KPIs) are established and effectively monitored, and to what extent is the Group able to drive performance and accountability?
Answer:		
<ul style="list-style-type: none"> • MISC's role is to provide strategic oversight, governance support and long-term business alignment to strengthen MHB's competitiveness and sustainability. • The Group also supports MHB through collaboration opportunities across offshore, decarbonisation and New Energy-related projects where relevant. • Overall, MHB complements MISC's broader strategy by strengthening the Group's integrated maritime and offshore capabilities. 		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
7.	Ho Yueh Weng	In light of the evolving geopolitical situation in the Middle East, could the Board share the Company's position on the situation, and whether MISC or MHB is strategically positioned to capture any emerging opportunities? Additionally, how does the Group plan to navigate and address the associated challenges?
Answer:		
<ul style="list-style-type: none"> • As at the AGM date, the situation remains difficult to assess. Our priority is to ensure the safety of our people and assets. One of MISC's vessels has successfully transited the Strait of Hormuz, and we are working to ensure a safe exit for the other vessels. As of 30 May 2026, all MISC vessels in the Persian Gulf had safely transited through the Strait of Hormuz. • In the short term, the impact of the situation in the Middle East is minimal. Our diversified portfolio and long-term charters continue to support earnings resilience. • MISC remains focused on three key areas to strengthen the resilience of our business: fleet rejuvenation, high asset utilisation and uptime, and selective investments in both conventional and new energy businesses that deliver secure, recurring income. 		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
8.	Dinesh Kumar A/L Bachulal	Could the Board clarify whether the rates for long-term charters are fixed throughout the contract period, or whether they are structured to follow market trends over time?
Answer:		
<ul style="list-style-type: none"> The majority of MISC's long-term charters are structured on fixed contractual rates, agreed upfront in line with market conditions at the time. This provides certainty and stability of recurring income and cash flows. 		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
9.	Ooi Cheng Kui	Could the Board clarify whether MISC's business model is comparable to that of the aviation industry (e.g., Malaysia Airlines), particularly in terms of asset chartering and profit generation?
Answer:		
<ul style="list-style-type: none"> MISC's business model focuses on generating steady, secured recurring income and cash flows. Most of our assets operate under long-term fixed contracts with strong counterparties. This provides visibility and certainty of income and cash flows, which allows us to better plan our investments and deliver sustainable returns to shareholders. 		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
10.	Lim Jit Thin	<p>(a) PETRONAS has signed a 20-year contract for the lease of five (5) new LNGCs from MISC. What is the total capital expenditure (CAPEX) incurred for these vessels, and what is the projected income from the leasing arrangement?</p> <p>(b) What percentage of the Company's profit is expected to be derived from this leasing arrangement with PETRONAS, and how will this business deal benefit the Company?</p> <p>(c) What is the CAPEX for the five (5) new vessels? Have they been delivered, or will delivery take place in stages over time?</p> <p>(d) Will the Company undertake loans to finance the purchase of these LNGCs, or consider a rights issue to existing shareholders?</p> <p>(e) Recommendation – If funding is a constraint, would the company consider proposing a rights issue to existing shareholders, allowing them to participate in and benefit from the Group's future profits.</p>
Answer:		
<p>(a) This deal is an example of the integration of MISC within the PETRONAS gas value chain. We are unable to disclose the commercial terms of the 20-year time charter party (TCP) arrangements, as they are confidential between the contracting parties. However, the contracts were secured based on prevailing market rates and remain aligned with MISC's disciplined approach towards long-term value creation and earnings visibility.</p> <p>(b) We are unable to provide specific profit guidance or margins for these contracts due to commercial confidentiality. However, in FY2025, approximately 26% of the Group's revenue was derived from PETRONAS.</p> <p>(c) The CAPEX for the five new LNGCs forms part of the commercial terms and is subject to confidentiality provisions. The vessels were contracted under a 20-year charter with PETRONAS LNG Ltd. and are scheduled to be delivered in stages between 2029 and 2030.</p> <p>(d) MISC adopts a balanced funding approach for CAPEX, comprising internally generated cash flows and external financing. The Group remains committed to maintaining prudent gearing levels, financial flexibility, and a strong balance sheet while supporting long-term growth.</p> <p>(e) The Group continues to assess the most appropriate funding mix based on market conditions, capital requirements, balance sheet strength and long-term shareholder value considerations.</p>		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
11.	Ho Yueh Weng	<p>(a) With regard to the Company's Profitable New Energy Business pillar, could the Board elaborate on the expected profitability compared with conventional business?</p> <p>(b) Could the Board clarify the definition of securing Approvals in Principles (AiPs)?</p> <p>(c) On the development of ammonia dual fuel capabilities, ethanol and future fuels, could the Board elaborate on these opportunities?</p> <p>(d) Given that hydrogen transportation may not always be in its traditional form, is the Company exploring opportunities in alternative hydrogen transport solutions?</p>
Answer:		
<p>(a) The Profitable New Energy Business is a key pillar of MISC Enterprise Strategy, supporting the energy transition. The Company is focused on three areas within the New Energy business; carbon, offshore wind and future fuels value chains. MISC targets New Energy investments to achieve returns that are comparable to conventional businesses over the asset lifecycle, while balancing technology maturity and market development risks.</p> <p>(b) Approvals in Principle (AiPs) are early-stage technical validations from classification societies on concept designs for new vessels or offshore assets, affirming that the designs have been reviewed and found to comply with applicable regulatory and safety requirements.</p> <p>(c) MISC continues to explore opportunities across the carbon, offshore wind and future fuels value chain, including ammonia and other lower-emission energy solutions. MISC's primary interest is in the transportation segment of the value chain. As shipping is subject to increasingly stringent emissions regulations, the adoption of near-zero-emission fuels represents a key pathway toward regulatory compliance and decarbonisation. MISC currently has three ammonia dual-fuel vessels in the pipeline.</p> <p>(d) Hydrogen remains an emerging opportunity area, and the Group continues to monitor developments, technology readiness and commercial viability, including potential transportation and logistics solutions over time.</p>		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
12.	Seah Poh	<p>With regard to the two ships received from the Japanese Government when MISC was formed, are the two ships still in operation?</p> <p>Given the current situation in the Strait of Hormuz, could the Board share the operating environment, and how the Company is managing the associated on-the-ground risks?</p> <p>Where is MISC's operating base in Port Klang?</p>
Answer:		
<p>(a) Both ships are no longer in operation.</p> <p>(b) Vessel movements and operations in the area are subject to strict operational, regulatory and security protocols. Safety and security remain our absolute priority, especially in high-risk areas such as the Strait of Hormuz. Our focus remains on ensuring the safety of our crew, assets and operations at all times.</p> <p>(c) MISC does not have any operations in Port Klang. Our primary ship management operations under our Marine Services are based in Kuala Lumpur and Singapore, supported by satellite offices globally, including Houston, USA, and Rio de Janeiro, Brazil.</p>		

SHAREHOLDINGS

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
13.	Wee Ton Wang	Why has Employees Provident Fund (EPF) reduced its shareholding?
Answer:		
<ul style="list-style-type: none"> • The Company is not in a position to comment on EPF's investment decisions or portfolio management strategies. • MISC remains committed to maintaining regular engagement with all shareholders and continues to focus on delivering sustainable, long-term value to its shareholders. 		

ANNUAL GENERAL MEETING AGENDA

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
14.	Wee Ton Wang	How are Directors' fees determined, and are they based on a fixed formula, percentage or other criteria?
Answer:		
<ul style="list-style-type: none"> • Our non-executive directors' fee structure is aligned with PETRONAS public listed companies, where benchmarking exercises have been conducted to ensure that the fees remain consistent with prevailing market practices. • In accordance with Rule 24.3 of the Constitution of MISC Berhad, fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. 		

No.	Name of Shareholder/Proxy/ Corporate Representative	Question
15.	Wee Ton Wang	<p>Given that the Company's share price is currently high, could the Board elaborate on its approach to share buybacks?</p> <p>Specifically, does the Company allocate a fixed amount for share buybacks and execute purchases automatically when the share price falls below a certain threshold, or are buyback decisions made on a more discretionary basis?</p>
Answer:		
<ul style="list-style-type: none"> • The share buybacks are not automatically triggered based on a preset share price level. Any potential share buyback is carefully assessed by Management and the Board, taking into account market conditions, liquidity, capital requirements, funding priorities and overall shareholder value. • Subject to shareholders' approval of the share buyback resolution, the Company has the opportunity to undertake a share buyback, which serves as one of the options to support and enhance the share price. We have a dedicated team within MISC, namely the Group Strategy & Sustainability, that monitors this area closely. Furthermore, the Company has an established procedure for implementing share buyback, which is only activated upon the Board's approval, following the mandate granted by shareholders. 		