

**23<sup>rd</sup> AGM Virtual AGM on 22 June 2020**

**Questions & Answers**

NO	NAME	QUESTION & ANSWER	
1.	TEH KIAN LANG	Question 1	How is the impact of falling oil prices on bunker fuel?
		Answer	Falling oil price in fact benefits Straits as it reduces the financial outlay required for the purchases of the bunker fuel. We are also mitigated by volatility of the oil price movement as most of our purchases and sales are done on back to back basis and on monthly average pricing. The stock holding position is also minimal.
		Question 2	Falling oil price-positive or negative for Straits? Going forward what is the strategy to grow revenue and profit?
		Answer	As mentioned earlier, falling oil price benefits Straits as lesser financial outlay is required for cargo purchases. Moving forward, the Group has expanded its vessels fleet to 11 vessels with total capacity of 22 million litres with acquisition of two larger vessels namely MT Begonia and MT Ixora to further capture the large untapped fuel bunkering market in this region. With our proposed diversification into the port operation and management of Labuan Liberty Terminal, Straits has put in place a good strategy to grow its revenue stream and profit.
		Question 3	Has the volume of business drop?
		Answer	The Covid-19 has created headwinds worldwide and generally there has also been a slowdown in the shipping industry resulting in lower volume transacted. Nevertheless, as fuel bunkering is an essential business and with the opening of market worldwide, the transaction volume has started to pick up again.

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	cont.../ <b>TEH KIAN LANG</b>	Question 4	What is competition like given that it is a commoditized type of business?
		Answer	As in most industry, there is always competition but Straits is able to differentiate itself from other competitors by its branding of its premier products, its reliability in delivery of fuel and its safe bunkering procedures.
		Question 5	Impact of low prices on the business?
		Answer	Falling oil price in fact benefits Straits as it reduces the financial outlay required for the purchases of the bunker fuel. We are also mitigated by volatility of the oil price movement as most of our purchases and sales are done on back to back basis and on monthly average pricing. The stock holding position is also minimal.
		Question 6	Most ships have switched to clean fuel?
		Answer	Currently it is envisaged that about 60% to 65% of most ships have switched to clean fuel. Those ships who have not switched have installed scrubbers to continue using high Sulphur fuel.
2.	<b>STEPHEN LYE TUCK MENG</b>	Question 1	Please give me some e-voucher for attending the Virtual AGM.TQ
		Answer	As announced during the AGM, the Company will pay RM50.00 via e-Voucher to all shareholders who had participated in the AGM via RPV. We are now in discussion with our Share Registrar to disburse the e-Voucher payment in due course accordingly.
3.	<b>TOH GAIK BEE</b>	Question 1	Why is that the share price has not increased even though the profit after tax has increased to RM9.42 million as at 31 December 2019 versus RM4.93 million in 2018?
		Answer	We humbly apologize as we are not able to comment on share price movement but we believe that over a longer term, generally share price will reflect the intrinsic value of a company.

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	cont.../ <b>TOH GAIK BEE</b>	Question 2	What are the prospects of bunkering services and port management in the near future?
		Answer	The prospects for both the bunkering services and port management is positive as there is tremendous potential for these industries if the infrastructure to support is there and customers base is expanded. And this is what Straits has worked on continuously over the years to grow its revenue stream and profitability.
5.	<b>LOOI BOON PING</b>	Question 1	Do you see a better Q2 compare Q1 and? What about Q3 & Q4?
		Answer	We humbly apologize as we are not able to comment on quarterly results that are yet to be announced.
6.	<b>CHONG CHOON KET</b>	Question 1	Please share a little more about the business of Labuan Port Mgt
		Answer	Straits Group is currently operating and managing the facility of Labuan Liberty Terminal in Labuan and we provide a wide range of port services
7.	<b>TAM KAM FATT</b>	Question 1	Any plan to give dividends and what plans to strengthen the revenue and PAT?
		Answer	Currently we have not declared any dividends as we are using our cash to further expand the Groups potential business but we take note of your question and will look into declaring dividends once the Company has built up its cash reserves. The Group has embarked on some mergers and acquisitions in the last few years to put in place the strategic infrastructure and expanded customer base to grow its revenue and PAT

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8.	<b>KOK SAK LIN</b>	Question 1	Mr. Chairman, in these challenging times, please reward us shareholders with E-Vouchers or E-Wallets Credits who have participated in this RPV. The Government is promoting E-Wallet usage & at the recent BURSA RPV AGM shareholders were rewarded with E-Wallet credits. Thank you.
		Answer	As announced during the AGM, the Company will pay RM50.00 via e-Voucher to all shareholders who had participated in the AGM via RPV. We are now in discussion with our Share Registrar to disburse the e-Voucher payment in due course accordingly
9.	<b>PORAVI A/L S P SITHAMBARAM PILLAY</b>	Question 1	Good morning my name is Pillay. I must say our Share Registrar, Tricor and the Company Secretary have organized this RPV very well. Smooth voting Good job. Also, full support for our company to move forward.
		Answer	Thank you, Mr. Pillay. Your kind compliments and support are truly appreciated and it motivates us further. We are indeed happy that all our Shareholders had enjoyed the AGM well
10.	<b>LOK CHEN CHUANG</b>	Question 1	What are the Straits strategies to further grow the revenue and profit?
		Answer	The Group has embarked on some mergers and acquisitions in the last few years to put in place the strategic infrastructure and expanded customer base to grow its revenue and PAT
		Question 2	Did Straits plan to move from Ace market to Main Market?
		Answer	As part of our long-term ambition, Straits do have such plans and may seek the transfer to Main Board when we meet the requirements of Main Board Listing criteria.

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	cont.../ <b>LOK CHEN CHUANG</b>	Question 3  Answer  Question 4  Answer	<p>Did Straits plan to do more acquisition and expand the business? Plan to do any private placement/right issues to generate more fund?</p> <p>Yes, Straits may consider acquisition of good strategic assets when its available. In the concluded AGM, Straits had obtained shareholders mandate for 20% private placement and we may consider this route if the need for fund raising arises.</p> <p>Suggestion: to brief on company past revenue and future prospect in AGM. Thanks.</p> <p>Your suggestion is noted with thanks Mr. Lok and we will consider for future AGMs. In the meantime, we shall always be pleased to answer any shareholders queries on Company's performance and growth prospects apart from our disclosure in the Annual Report accordingly</p>
11.	<b>LIEW CHEE SENG</b>	Question 1  Answer	<p>Congratulations to the board for the good results. Thank you very much for the e-voucher.</p> <p>Thank you, Mr. Liew, for your kind compliments and support. We are truly happy to reward our shareholders who had participated in the AGM via RPV.</p>
12.	<b>REEVANASH A/L PORAVI</b>	Question 1  Answer	<p>First time using my handphone to vote. Very well organized. Super. Thank you to TRICOR and our company secretary. Audio and visual were very clear.</p> <p>Thank you, Mr. Reevanash, for your kind words and compliments. We are glad that you had enjoyed the AGM well. We are also thankful to our Share Registrar, Tricor Issuing House &amp; Services and our Company Secretary, MegaWan Corporate PLT who had organized and conducted our very 1<sup>st</sup> historical Virtual AGM in this New Norm era in a smooth manner.</p>

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14.	<b>ELAINE YEOH</b>	Question 1	Venturing into facilities / port management - how is the prospect of this business from margin perspective?
		Answer	The venturing into the Port Management business is complementary to Straits current business and we are positive on the prospects of this new venture. We humbly apologize as we are not able to divulge the margin details to safeguard the Group's competitive advantage.

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