

A decorative graphic on the right side of the page, featuring a complex molecular structure with interconnected nodes and lines, set against a background of overlapping hexagonal shapes. The color palette transitions from dark blue at the top to purple and magenta at the bottom.

**PETRONAS CHEMICALS GROUP BERHAD**  
24<sup>th</sup> Annual General Meeting

*Annual General Meeting  
Questions & Answers  
21 April 2022*

Confidential

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

## Gifts

No.	Question
1.	Whether this year management will give door gift as well?
2.	Please increase door gift amount to 100 for Hari Raya trip.
3.	Please give e-voucher, thank you.
4.	Would the BOD kindly consider giving shareholder with SETEL e-voucher as a token of appreciation for attending today's Remote Participation and Voting (RPV).
5.	Please give e-voucher for refreshment.
6.	Bolehkah pemegang saham yang menghadiri AGM ini mendapat token/voucher kehadiran?
7.	Good morning. Appreciate petrol to be Cash voucher again. Thank you.
8.	Good morning, thank you if giving e-voucher again.
9.	Please give e-vouchers.
10.	Good morning, e-petrol again. Thank you.
11.	I request to have doorgift.
12.	Any Door Gifts for shareholders?
13.	Good morning e-petrol higher value than last year. Petrol price has gone up. Thank you
14.	Good morning. Appreciate e-petrol with higher value. Petrol price has gone up. Thank you.
15.	Good morning, Chairman. Please provide SETEL voucher. Thank you.
16.	Please provide door gift.
17.	Mr Chairman, I'm a long time and loyal shareholder of the company, I would like to request that the BOD kindly consider giving shareholder with SETEL e-voucher as a token of appreciation for attending today's RPV.
18.	Please provide door gift.
19.	Please provide door gift.
20.	Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. Thank you.
21.	Good morning, Board of Directors. Do we receive door gift for participating this year AGM? If not, may we know the reasons as other companies do give the door gift. Thanks.
22.	Dear BOD, kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. Thank you.
23.	Good morning to the BOD, it has been my pleasure as a long-time shareholder to attend and give support to the company. Also, I hope that the Board would consider giving some e-vouchers as a token of appreciation. Thank you.
24.	Please consider giving e-voucher to participating shareholder. Thank you.
25.	I humbly request BOD to give e-Wallet or e-Voucher to minority shareholders as a token of appreciation. I believe the token sum is small, manageable & within annual budgeted expenses.
26.	Despite the high oil prices and huge profit, are we getting a higher value say RM150 for our SETEL wallet? Thank you.
27.	Despite the high oil prices & huge profit, are we getting a higher value say RM150 for our SETEL wallet? Thank you.

## Gifts

No.	Question
28.	Despite the high oil prices & huge profit, are we getting a higher value say RM150 for our SETEL wallet? Thank you.
29.	Any petrol vouchers? Thanks.
30.	Any door gift for participants of this AGM?
31.	Is there any plan for PCG to give gift card to those loyal individual shareholders who attend this online meeting?
32.	It would be greatly appreciated if the Board can give attendees some form of e-vouchers. Thanks.
33.	Is there any door gift for this AGM?
34.	Will the company be giving any door gifts/e-vouchers to all its shareholders and proxies attending this RPV? Thank you.
35.	Please give vouchers.
36.	Hope the company will consider giving some e-vouchers/e-wallet to all its shareholders and proxies attending this RPV as a token of appreciation for their attendance. Thank you.
37.	Reward the participant to encourage support for virtual AGM, as it saves a lot of labor time cost, printing expenses, etc.
38.	Keep up the good performance and distribute door gifts to reward participants as usual. Thank you.
39.	Will the company be giving any door gifts/e-vouchers to all its shareholders and proxies attending this RPV? Thank you.
40.	Director fees is very high, please give some food voucher.
41.	Will there be any door gift for this year AGM?
42.	Some form of e-vouchers would be greatly appreciated for those who attended this AGM. Thanks.
43.	Is there any voucher?
44.	Is there any gift?
45.	Please forward door gifts.
46.	Is there any voucher?
47.	Will the company be giving any door gifts/e-vouchers to all its shareholders and proxies attending this RPV? Thank you.
48.	Thanking the Board in advance for the e-vouchers. Hope there are some for us. Thanks.
49.	Is there any e-voucher given to shareholders for attending the AGM?
50.	Hope the company will consider giving some e vouchers/e wallet to all its shareholders and proxies attending this RPV as a token of appreciation for their attendance. Thank you.
51.	Any door gifts? RM100/- or more Touch n Go as profit increased drastically. Also, dividend to be given more frequently.
52.	Hope the company will consider giving some e-vouchers/e-wallet to all its shareholders and proxies attending this RPV as a token of appreciation for their attendance. Thank you.
53.	Please provide door gift.
54.	Is there any gift voucher for this AGM?

## Gifts

No.	Question
55.	Past years AGM door gift was a PETRONAS card value RM100, last year was reduced to RM50 SETEL voucher. Will we be getting a door gift of RM100 this year? Thank you.
56.	Will the company be giving any door gifts/e vouchers to all its shareholders and proxies attending this RPV? Thank you.
57.	Datuk Chairman, please consider giving e-vouchers to all those who attend this AGM. Thanking you in advance
58.	Any door gift provided for shareholder participates?
59.	Can the company consider issuing a of token of appreciation to shareholders who voted in this AGM?
60.	We, the humble shareholders, would truly appreciate if our highly respectable Board could kindly consider giving shareholders a very generous door gift for attending this highly important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, platform problems, inconveniences, Wi-Fi expenses and covid stress. We also have to set aside precious time, efforts & commitment similar to that displayed by Board members & company staff. Many thanks for your understanding.
61.	I would be truly grateful if the Board could kindly consider giving shareholders a good & generous door gift for attending this important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, high Wi-Fi costs, platform problems, inconveniences, etc. Many of us as shareholders have to set aside precious time, efforts, dedication & commitment like the Board members and company staff. Thank you.
62.	Dear Directors, our company has saved thousands of Ringgit from the 3 pandemic years on AGM costs & expenses as they were held virtually. We, as shareholders, have been working hard to attend the highly important AGMs online. We hope you could kindly consider showing some care & concern by giving us a good & generous door gift. Thank you.
<b>Answer to question number 1 to 62:</b>	
<p>Shareholders participating in the AGM today will be given RM50 SETEL top-up vouchers.</p> <p>These vouchers can be used at all PETRONAS' petrol station to experience the new offerings in addition to fuel.</p> <p>Details will be emailed within 5 working days from the date of AGM.</p>	

## Performance & Outlook

No.	Question
63.	<p>i. What is the latest market price trends for F&amp;M and O&amp;D as compared to Q1 2022?</p> <p>ii. The gross profit margin for O&amp;D segment dropped due to higher feedstock price (C3/C4/aromatic), could you disclose the next contract renewal for C2 (Ethane) and Methane? As it would affect the profit margin for ethylene and Urea/methanol/etc.</p> <p>PCG has 20-30% exposure at China market, could you disclose the impact from China lockdown/port congested to the company? How do you manage the risk?</p>
<b>Answer:</b>	
<ul style="list-style-type: none"> <li>Overall, the latest market prices for both F&amp;M and O&amp;D are higher than the average Q1 2022 prices.</li> <li>The next contract renewal will be in 2023 (for Ethane) and 2026 (for Methane).</li> <li>In view of China lockdown, we have been able to divert our sales volume to other unaffected ports in China and other regions.</li> </ul>	
No.	Question
64.	How much (percentage wise) PCG super profit is contributed by increase in world oil price?
<b>Answer:</b>	
The elevated crude oil prices coupled with the continuous demand recovery for petrochemicals have strengthened prices for our products, which contributed to higher profitability to PCG.	
No.	Question
65.	<p>i. Please share the plant maintenance schedule in upcoming quarter.</p> <p>ii. How PETRONAS fix the feedstock cost to PCG when the long-term contract is signed? As the feedstock market price is on the high side, if the new contract for Ethane/Methane is fixed at high price, will this impact the gross margin of F&amp;M and O&amp;D segment badly (when the market selling price goes down)?</p>
<b>Answer:</b>	
<ul style="list-style-type: none"> <li>We have scheduled four statutory plant turnarounds this year. We have completed two in Q1 2022 and the remaining two are scheduled in this quarter (Q2 2022).</li> <li>The feedstock arrangements with PETRONAS are long-term in nature and is structured to provide PCG the ability to be a competitive player in the petrochemicals market.</li> </ul>	

## Performance & Outlook

No.	Question
66.	Please share the latest update for specialty chemical, as in AGM earlier PCG intended to expand this segment to 20-25% in the portfolio, but so far no significant contribution from this segment in the past two years.
<b>Answer:</b>	
<ul style="list-style-type: none"> <li>• Our current specialty chemicals portfolio is through our assets in PC Derivatives and BRB International B.V. (BRB). On average, this portfolio contributed about 13% to our Group revenue.</li> <li>• We continue to expand our specialty chemicals portfolio through projects that we have announced earlier such as specialty ethoxylates and polyols as well as expansion of silicone business.</li> <li>• In addition, we are actively evaluating identified specialty chemical companies for potential acquisition. We also continue to explore emerging and disruptive technologies through internal research and corporate venture capital.</li> </ul>	
No.	Question
67.	What is the average utilisation rate for all the plants under the Group?
<b>Answer:</b>	
For FY2021, we were able to sustain world-class operational performance with an average plant utilisation rate of 93%.	
No.	Question
68.	<ol style="list-style-type: none"> <li>The company is enjoying and recorded stellar and bumper revenue and profits for the number of quarters. Can such performance be sustained and maintained in lieu of gross geo-political and financial monetary tumults?</li> <li>Does the company plan for stock subdivision or bonus issue to reward loyal shareholders? Congrats.</li> </ol>
<b>Answer:</b>	
<ol style="list-style-type: none"> <li>The FY2021 financial performance was largely driven by the high petrochemical product prices amid strong demand and tight supply environment. The prices also typically move in tandem with crude oil prices, which are, in turn, affected by global economic and geopolitical conditions. These are external factors that generally impact PCG's financial performance.  In FY2022, we will continue to focus our efforts on Operational Excellence, Commercial Excellence and Growth Delivery Excellence. Our capable talents, effective management system and cost optimisation are in place to ensure that we are able to maximise opportunities while navigating uncertainties to maintain our strength and resilience.</li> <li>On the bonus issue or stock subdivision, we have answered this earlier.  For now, we will continue to pay dividend based on our Dividend Policy and we have no plans to declare any bonus issue.</li> </ol>	

## Performance & Outlook

No.	Question
69.	<ul style="list-style-type: none"> <li>i. May I know, what is the company's future outlook?</li> <li>ii. How much is the impact due to COVID-19?</li> </ul>
<b>Answer:</b>	
	<ul style="list-style-type: none"> <li>i. Global economy has strengthened post 2020, although geopolitical risk and new COVID-19 variant may decelerate the recovery. The expected losses from Russian crude oil production are temporarily driving up crude oil prices since Q1 2022. For now, petrochemical product prices have recovered although its stability remains uncertain.</li> <li>ii. The spread of COVID-19 variants have and will continue to impact countries to reimpose mobility restrictions particularly China with its strict zero-tolerance COVID-19 policy.</li> </ul>
No.	Question
70.	What is PETRONAS Chemicals future plan to overcome current low revenue caused by COVID-19?
<b>Answer:</b>	
	PCG achieved record breaking revenue in FY2021 despite the COVID-19 pandemic. We will continue to focus our efforts on Operational, Commercial and Growth Delivery Excellence as explained in our responses to MSWG questions.
No.	Question
71.	Does zero-COVID policy in China impact profit negatively for PETRONAS Chemicals in the current quarter?
<b>Answer:</b>	
	Currently, our profitability is not affected from China's zero-COVID policy as we are able to divert our sales volume to other regions.

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## Business Strategies

No.	Question
72.	Can we go invest in Russia Blue Chip Shares, supply gas and petrol to Europe?
<b>Answer:</b>	
Our principal activities involve manufacturing, marketing and selling of a diversified range of basic and specialty chemicals. Currently, we have no intention to invest in any stock market or supply gas and petrol to Europe.	
No.	Question
73.	Perhaps PCG can consider investing in bicycle battery.
<b>Answer:</b>	
Our principal activities involve in the manufacturing, marketing and selling of a diversified range of basic and specialty chemicals. Currently, we have no intention to invest in bicycle battery.	
No.	Question
74.	Is PETRONAS Chemicals involved in the rescue plan of Sapura Energy as announced by the finance minister recently?
<b>Answer:</b>	
PCG is not involved in any rescue plan of a corporation.	

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## Dividend

No.	Question
75.	Will the company give the dividend consistently?
<b>Answer:</b>	
For FY2021, PCG declared a dividend payout of 61% of the Group Profit After Tax and Non-Controlling Interest (PATANCI). We will continue to pay dividend based on PCG Dividend Policy of around 50% PATANCI. Currently, PCG pays dividend twice a year and has no plans to change the frequency.	
No.	Question
76.	Any bonus issue to be declared.
<b>Answer:</b>	
For now, we will continue to pay dividend based on our Dividend Policy and we have no plans to declare any bonus issue.	
No.	Question
77.	When is the next dividend?
<b>Answer:</b>	
The first interim dividend for financial year ending 31 December 2022, if any, will be declared and paid in Q3 2022.	

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## Financials

No.	Question
78.	What are the Company's plans for the RM4 billion increase in Cash balance in FY2021? Will PCG consider doing a Dividend Reinvestment Scheme in the near future?
<b>Answer:</b>	
<p>PCG's cash balance has been earmarked to fund our operational requirements, turnaround activities as well as to cater for growth projects and potential acquisitions.</p> <p>For now, the management has no plans to consider dividend reinvestment scheme and we will continue to pay dividend according to Group's Dividend Policy.</p>	

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## JV/Associates

No.	Question
79.	The share of profits of JVs and Associates increased to RM729 million in FY2021. i. Which are the top 3 contributors from the JVs and Associates and their respective profit contribution? ii. Based on the Group's projection and current operating environment, will the JVs and Associates maintain or increase their profits contribution for FY2022?
<b>Answer:</b>	
<ul style="list-style-type: none"><li>• The top three contributors from the JVs and Associates are the Oxo-alcohol, Acrylic and Acetic Acid businesses.</li><li>• Profits for FY2022 will depend on product demand and supply which are influenced by energy prices, global economic and geopolitical conditions.</li></ul>	
No.	Question
80.	How extensive is the collaboration with INEOS?
<b>Answer:</b>	
INEOS and PCG are joint venture partners in INEOS PCG Acetyls Sdn Bhd based on 70:30 shareholding. INEOS became our partner in 2021 following its acquisition of shares from BP.	

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## Market & Competitors

No.	Question
81.	It was reported that China Sinopec completed a trial to directly produce Olefin from crude oil with 50% yield, and will build a one million tonne per year crude-to-olefin plant: (a) Will this technology allow China competitors to produce Olefin at a cheaper cost? (b) Will this technology be a threat to our company?
<b>Answer:</b>	
<ul style="list-style-type: none"><li>• Although crude oil-to-chemicals (COTC) can produce higher yield of chemicals, the project will require very high capital investment.</li><li>• Despite the expansion of olefins plants in China, we foresee that China market for olefins and derivatives, particularly for polyethylene will continue to rely on imports.</li><li>• This is not a threat as technology evolution is part of the industry landscape. In fact, PCG itself continues to adopt new technologies to remain competitive.</li></ul>	

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No.	Question
82.	<p>Note 28 page 64 of the Financial Report states that Pengerang Petrochemical Company Sdn Bhd is jointly held with Aramco Overseas Co. B.V.</p> <p>(1) Why is this Company not listed in the list of JVs in Note 26, page 63?</p> <p>(2) How much has been invested in Pengerang Petrochemical and the total planned investment for this JV</p> <p>(3) Is this JV operating and contributing to the Group's revenue?</p>
<b>Answer:</b>	
<ul style="list-style-type: none"> <li>• Pengerang Petrochemical Company Sdn Bhd (PPC) is jointly controlled by Saudi Aramco and PCG, based on 50:50 equity ownership. As such, PPC is our Joint Operation company (Please refer to pages 21 and 225 of the Integrated Report 2021).</li> <li>• PCG's investment in PPC is approximately USD1.4 billion.</li> <li>• PPC is currently in the final stage of start-up readiness and has not commenced its commercial operations.</li> </ul>	
No.	Question
83.	<p>What % Pengerang Integrated Complex will contribute to PETRONAS Chemicals profitability upon full commissioning?</p>
<b>Answer:</b>	
<p>The Pengerang Integrated Complex (PIC) is currently in the final stage of start-up readiness. For FY2022, we do not expect material contribution from PIC to PCG's profitability.</p>	

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**Employment**

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<b>No.</b>	<b>Question</b>
84.	How many staff was sacked?
<b>Answer:</b>	
<ul style="list-style-type: none"><li>• We did not conduct any exercise involving staff redundancy, lay-off or salary cut to our employees.</li><li>• It is important for PCG to recruit, retain and upskill its employees to support our core businesses and future growth.</li></ul>	

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# Stakeholder

No.	Question
85.	Any field visits for shareholders?
<b>Answer:</b>	
<ul style="list-style-type: none"><li>• For the time being, there is no plan for field visit. Our priority is the safety and health of our shareholders. We will continue to engage with our stakeholders through available digital platforms.</li><li>• Any physical engagements will be communicated from time to time.</li></ul>	

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## Geopolitics

No.	Question
86.	Does the company have investment in Ukraine and in any way be affected by the current war there?
<b>Answer:</b>	
<ul style="list-style-type: none"><li>• The Company does not have any investment in Ukraine.</li><li>• The immediate impact of the crisis resulted in higher prices for crude oil, natural gas as well as petrochemical products. Geopolitical uncertainties have led to global market disruption, causing higher market volatility and logistics costs.</li><li>• As majority of our products are sold within Southeast Asia, the impact of the conflict to our business has been minimal.</li></ul>	
No.	Question
87.	Western Governments have forced their sanctions on Russia and likewise to bully others into compliance; how much will our company be affected going forwards due to such measures?
<b>Answer:</b>	
Majority of our products are sold within Southeast Asia region. As such, we expect the impact of sanction on Russia to be immaterial to our business.	
No.	Question
88.	Does management foresee any CBP sanction or any kind of other sanction in near future?
<b>Answer:</b>	
PCG will continue to observe compliance to international trade sanctions and laws. We foresee that the likelihood and impact of the sanction to be remote and manageable.	

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## Board of Directors

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No.	Question
89.	No need female director unless they can perform.
<b>Answer:</b>	
<ul style="list-style-type: none"><li>• PCG aspires to adopt the recommended Practice 5.9 of the MCCG with regards to women representation on the Board. This is in line with our Sustainability Framework of Diversity and Inclusion.</li><li>• The Board composition is based on PCG Board Selection Criteria focusing on experience as well as skills matrix and the appointment is based on merit.</li></ul>	

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No.	Question
90.	PETRONAS Chief recently lamented the growing incidences of self-interest, corrupt and lack of integrity issues occurring in PETRONAS; how is this affecting PETRONAS subsidiary/associate companies like PETRONAS Chemicals, and what is our Board's stance and actions to identify and eliminate such culture taking hold?
<b>Answer:</b>	
<p>As part of PETRONAS Group of companies, PCG has zero tolerance against corruption and will continue to leverage our internal mechanisms to prevent corrupt behaviour and establish a business environment with the highest level of ethics and integrity.</p> <p>PETRONAS' Code of Conduct and Business Ethics expressly prohibits improper solicitation, bribery and other misconduct by employees, directors and third parties performing work or services for or on behalf of the companies in the Group.</p>	

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## AGM

No.	Question
91.	How much does the company spend on this virtual AGM?
92.	How much was spent on Virtual AGM compared to physical?
93.	Dato chairman, what is the cost of holding this virtual AGM? Do the management prefer physical AGM compared to virtual AGM. Any idea when the physical AGM will resume now that the cross border is opened. Thank you.
94.	Will next year AGM will conduct physically? Will there be a choice to attend virtually?
<b>Answer:</b>	
<p>The company spent around RM190,000 for this virtual AGM.</p> <p>The Company will continue to observe the guidelines or new procedures as may be issued by the Securities Commission Malaysia from time to time. This is also aligned with the recommended Practice 13.3 of MCCG 2021 for listed companies to leverage on technology in conducting general meetings.</p>	
No.	Question
95.	RM119,000 ( <i>sic: RM190,000</i> ) spent on virtual meeting is very expensive, there are many platforms that are cheaper.
<b>Answer:</b>	
<p>The amount spent includes cost of venue, AV system, Remote Participation and Voting facilities and gift vouchers for shareholders. We believe the amount spent commensurates with our focus to provide quality service, stable connectivity and reasonable gift vouchers to all shareholders.</p>	
No.	Question
96.	The Board should consider learning from Maybank or CIMB's AGM, where responses to questions sent before the AGM are published prior to the actual AGM date. This will shorten the Q&A time and provide a satisfactory response on questions regarding door gifts.
97.	While waiting for the delayed poll results, can PETRONAS Chemicals Management provide some documentary like site visit?
<b>Answer:</b>	
<p>Thank you for the suggestions. We will consider them for our future AGMs.</p>	
No.	Question
98.	Are there recording for the AGM session? Will I be able to replay it after this session? If yes, how?
<b>Answer:</b>	
<p>This AGM is a closed-door event for our shareholders. We will not be making the recording publicly available.</p>	

## AGM

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No.	Question
99.	Where can I read the minutes of this AGM?
<b>Answer:</b>	
The Minutes of the Meeting will be made available on our corporate website at <a href="http://www.petronaschemicals.com">www.petronaschemicals.com</a> within 30 business days from the date of the AGM as per the Practice 13.6 of MCCG.	

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## Administrative

No.	Question
100.	I have requested the hardcopy of PETRONAS Chemicals Annual Report 2021 but have not received until now.
101.	Please send me a hard copy of the Annual Report 2021.
102.	Kindly send me the latest annual report.
103.	Kindly send me a copy of the annual report.
104.	Please send me a printed copy to my address.
105.	Kindly send me a hardcopy of the AGM report.
106.	Appreciate to receive a copy of the annual report.
<b>Answer:</b>	
As per standard practice, you would need to register your request on the Tricor website. In this case, we have notified the Share Registrar to arrange for the delivery of your Annual Report.	
No.	Question
107.	Why "Admin Note" in this platform contains PETRONAS Gas materials?
108.	The Notice and Admin Note of Corporate Event Document that appeared on this page are currently linked to PGB info instead of PCGB.
<b>Answer:</b>	
Please be informed that the Admin Note of PETRONAS Chemicals Group Berhad has been updated during the AGM via TIIH Online Live Streaming Corporate Event.	
No.	Question
109.	Sometimes so many AGM are held at the same time, why are there no column to show whether we had voted or not?
110.	Is there a voting platform?
111.	There is no voting platform.
112.	Why cannot vote?
113.	Why didn't I receive proxy voting?
<b>Answer:</b>	
Yes, we do have an online remote voting platform via Remote Participation and Voting (RPV) facilities, which is available on Tricor Investor & Issuing House Services Sdn. Bhd.'s (TIIH) Online website at <a href="https://tiih.online">https://tiih.online</a> .	
Upon casting your vote, the Remote Voting event will no longer be available in your screen.	
No.	Question
114.	Have the poll results come out? It is already 40 minutes vs 20 minutes time frame.
<b>Answer:</b>	
The poll result was announced 20 minutes after the end of voting session which was approximately at 12.05 pm.	

## Administrative

No.	Question
115.	<p>As advised by the TRICOR staff, the following proxies were unable to attend today's AGM of PCG due to TRICOR technical problems. [Proxy 1] and [Proxy 2]</p> <p>Kindly attend to this immediately.</p>
116.	<p>As advised by the TRICOR staff, there following proxies were unable to attend today's AGM of PCG due to TRICOR technical problems: [Proxy 3], [Proxy 4], [Proxy 5], [Proxy 6], [Proxy 7], [Proxy 8].</p> <p>Kindly attend to this immediately.</p>
117.	<p>As advised by the TRICOR staff, the following proxies were unable to attend today's AGM of PCG due to TRICOR technical problems: [Proxy 3], [Proxy 4], [Proxy 5], [Proxy 6], [Proxy 7], [Proxy 8].</p> <p>Kindly attend to this immediately.</p>
<b>Answer:</b>	
<ul style="list-style-type: none"><li>• TRICOR received the proxy form appointing [Proxy 1] and [Proxy 2] as proxies. However, due to an administrative error, TRICOR was unable to process this proxy form. These two proxies are still entitled for the e-vouchers.</li><li>• TRICOR received the proxy form from [Proxy 7] appointing the [Proxy 3] and [Proxy 4] as proxies. However, [Proxy 7] is not a shareholder of PETRONAS Chemicals as at Register of Depositors (ROD) 14 April 2022. Therefore, the said proxies were not eligible to attend the meeting.</li><li>• TRICOR received one proxy form appointing [Proxy 5] and [Proxy 6] as proxies.</li><li>• TRICOR received one proxy form appointing [Proxy 7] and [Proxy 8] as proxies. However, due to an administrative error, TRICOR was unable to process these two proxy forms.</li><li>• These four proxies are still entitled for the e-vouchers.</li></ul>	

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## Pre-AGM Questions

No.	Question
1.	Would the company consider providing SETEL e-voucher to shareholders attending this virtual AGM?
2.	Hopefully the door gift value will increase to RM100 like before.
3.	Hopefully the door gift value will increase to RM100 like before.
4.	Hopefully the door gift value will increase to RM100 like before.
5.	Hopefully the door gift value will increase to RM100 like before.
6.	Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times.
7.	Why no door gifts?
8.	What door gifts for attendance, dear Chairman?
9.	<p>We, the humble shareholders, would truly appreciate if our highly respectable Board could kindly consider giving shareholders a very generous door gift for attending this highly important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, platform problems, inconveniences, covid stress.</p> <p>We also have to set aside precious time, efforts and commitment similar to that displayed by Board members.</p> <p>Thank you very much for your kind understanding and support.</p>
10.	<p>I would be truly grateful if the Board could kindly consider giving shareholders a good door gift for attending this important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, high wi-fi costs, platform problems, inconveniences, etc. Many of us as shareholders have to set aside precious time, efforts, dedication and commitment like the Board members.</p> <p>Thank you.</p>
11.	<p>I would be truly grateful if the Board could kindly consider giving shareholders a good door gift for attending this important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, high wi-fi costs, platform problems, inconveniences, etc. Many of us as shareholders have to set aside precious time, efforts, dedication and commitment like the Board members.</p> <p>Thank you.</p>
12.	<p>I would be truly grateful if the Board could kindly consider giving shareholders a good and generous door gift for attending this important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, high wi-fi costs, platform problems, inconveniences, etc. Many of us as shareholders have to set aside precious time, efforts, dedication and commitment like the Board members and company staff.</p> <p>Thank you.</p>
13.	<p>I would be truly grateful if the Board could kindly consider giving shareholders a good &amp; generous door gift for attending this important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, high wifi costs, platform problems, inconveniences, etc. Many of us as shareholders have to set aside precious time, efforts, dedication &amp; commitment like the Board members and company staff.</p> <p>Thank you.</p>
14.	Is there any e-voucher given to shareholders for virtual participation of AGM?

## Pre-AGM Questions

No.	Question
15.	Is there any e-voucher given to shareholders for virtual participation of AGM?
16.	Will the company be giving any door gifts/e vouchers to all its shareholders/proxies attending this RPV?
<b>Answer to question number 1 to 16:</b>	
<p>Shareholders participating in the AGM today will be given RM50 SETEL top-up vouchers.</p> <p>These vouchers can be used at all PETRONAS' petrol station to experience the new offerings in addition to fuel.</p> <p>Details will be emailed within 5 working days from the date of AGM.</p>	

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## Pre-AGM Questions

No.	Question
17.	<p>a) What is the effect of the current increased cost of energy, oil and gas on our Company's product cost structure and to what extent is it impacting our profitability?</p> <p>b) Please elaborate what has the biggest impact on our profitability, including the impact on the cost of naphtha and whether it is positive or detrimental to our profitability; and how do we ameliorate it if the impact is hurtful?</p> <p>c) How easy is it possible for our Company to pass our costs increases to our customers?</p>
<b>Answer:</b>	
<p>a) The increase in crude oil prices may result in higher feedstock costs for selected olefins &amp; derivative products namely paraxylene and benzene. However, the Group's robust and diversified product portfolio mostly benefited from higher crude oil prices, providing us the opportunity to protect our margins.</p> <p>We will continue to sustain our operational and commercial excellence, whilst pursuing cost optimisation efforts, to cushion potential margin compression should product cost increases.</p> <p>b) Our profitability is primarily influenced by the following factors:</p> <ul style="list-style-type: none"> <li>i. Global economic conditions affecting the chemicals supply-demand;</li> <li>ii. Petrochemical product prices which have a high correlation to crude oil price; and</li> <li>iii. Utilisation rate of our production facilities.</li> </ul> <p>PCG is predominantly a gas-based producer, therefore, the impact of high naphtha cost to our profitability is minimal.</p> <p>c) Our product prices are benchmarked against prevailing market prices.</p> <p>Our selling price includes costs that are directly related to serve our customers such as freight and packaging.</p> <p>PCG strives to optimise these costs to ensure the best value to customers.</p>	
No.	Question
18.	Will the Company be adversely impacted by Cukai Makmur?
19.	Does the company expect to be severely impacted by Cukai Makmur? Any numbers that can be shared with the shareholders?
<b>Answer:</b>	
<p>The effect of Cukai Makmur to PCG Group will depend on our chargeable income for FY2022, which is subject to the movements in product prices and market spreads.</p> <p>When we simulated the impact of Cukai Makmur on our FY2021 financial results, the impact to our effective tax rate for FY2021 is minimal.</p>	

## Pre-AGM Questions

No.	Question
20.	What is the future potential from the KDEB Waste Management MoU? Can PCG use this opportunity to create a sustainable product?
<b>Answer:</b>	
<p>Under the MoU with KDEB and One BioSys;</p> <ul style="list-style-type: none"> <li>• These companies will supply plastics waste to PCG as feedstock for the production of circular and sustainable products</li> <li>• Conduct a joint feasibility study to evaluate the commercial viability of building waste segregation facilities in Malaysia</li> </ul> <p>With this, we are able to accelerate our initiatives towards circular economy.</p>	
No.	Question
21.	Can the Company share more about BRB/DaVinci Group financial performance and outlook, as I only found a sentence stating RM 160 [ <i>sic</i> : million] profit contribution to PCG?
<b>Answer:</b>	
<p>For FY2021, BRB achieved its highest EBITDA of RM189 million due to improved margins, as a result of higher silicone prices and product mix.</p> <p>A new silicone blending facility in Gebeng, Pahang was successfully commissioned in December 2021 while its current facilities in Netherlands is being expanded, targeted for start-up by end of this year.</p> <p>In addition, an investment on bio-based specialty surfactant product development is currently being explored.</p> <p>With the growth plans in place, BRB is targeted to sustain strong financial performance in the coming years.</p>	
No.	Question
22.	Who will be PCG's engagement partner for FY2022 account as Mr Thong Foo Vung from KPMG was appointed since 2015?
<b>Answer:</b>	
<p>Our KPMG's engagement partner for FY2022 is Mr. Chua See Guan. He has more than 20 years of audit experience in various industries including oil and gas, industrial products, manufacturing and trading.</p> <p>Mr. Chua See Guan is familiar with the Group as he was also involved in the audit engagements of PETRONAS Chemicals Group in 2011 and PETRONAS Chemicals Methanol as engagement Director previously.</p>	

## Pre-AGM Questions

No.	Question
23.	Dividend payout rate?
<b>Answer:</b>	
<p>Our dividend policy provides a payout ratio of around 50% of Group Profit After Tax and Non-Controlling Interests ("PATANCI").</p> <p>For financial year 2021, our dividend payout ratio was 61.0% PATANCI, based on total dividend payout of 56 sen per ordinary share amounting to RM4.5 billion. (Integrated Report 2021, page 49).</p> <p>This includes a special dividend of 10 sen per ordinary share declared on 22<sup>nd</sup> November 2021, which was paid on 30<sup>th</sup> December 2021 to commemorate our 10<sup>th</sup> year anniversary.</p>	
No.	Question
24.	How much the influence is the profit coming from petrol price hike?
<b>Answer:</b>	
<p>PCG's profitability is not influenced by the increase in petrol (gasoline) prices.</p>	
No.	Question
25.	Does the company benefit from Ukraine tension and also supply tightening of methanol and fertiliser? Would this year be another spectacular year for PCG?
<b>Answer:</b>	
<p>The immediate impact of the crisis resulted in higher prices for crude oil and urea. Nevertheless, the geopolitical uncertainties have led to global market disruption, causing higher market volatility and logistics costs.</p> <p>As mentioned earlier, in FY2022, we will continue to focus on the Group's Excellence and cost optimisation initiatives while navigating uncertainties to maintain our strength and resilience.</p>	

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