

**Extraordinary General Meeting (“EGM”) on 27 Nov 2024  
Questions & Answers**

No.	Name	Questions & Answers	
1	Azhar Bin Khamaruzaman	<p><b>Q1</b></p> <p>Rationale for the Proposed Listing: What are the strategic reasons behind the decision to list TMDEL on the NYSE American? What benefits does the company expect to gain from this listing, such as enhanced access to capital, improved liquidity, and increased visibility in the North American market?</p> <p><b>A1</b></p> <p>The main rationale for the Proposed Listing of TMDEL is to provide TMDEL Group's business with direct access to a new fund-raising platform which would increase the financial flexibility for TMDEL Group to pursue its business expansion and growth opportunities.</p> <p>The Proposed Listing will also allow TMDEL to gain recognition from its own separate listing status and enhance its corporate reputation, business profile and international market visibility which in turn may allow it to achieve greater market penetration and wider customer base.</p> <p>Further details of the rationale and benefits on the Proposed Listing of TMDEL are stated in the circular to shareholders dated 12 November 2024.</p>	
		<p><b>Q2</b></p> <p>Financial Implications: What are the estimated costs associated with the proposed listing, including legal, accounting, and regulatory expenses? How will the listing impact the company's financial structure, and are there any plans for a public offering or capital raise in conjunction with the listing?</p> <p><b>A2</b></p> <p>Please refer to Section 5 of the circular dated 12 November 2024.</p>	
		<p><b>Q3</b></p> <p>Structure of the Listing: Will TMDEL be listed as a separate entity, or will it remain a subsidiary of Straits Energy Resources Berhad? What percentage of TMDEL's shares will be offered to the public, and how will the remaining ownership be structured?</p> <p><b>A3</b></p> <p>Please refer to Section 2 of the circular dated 12 November 2024.</p>	
		<p><b>Q4</b></p> <p>Management and Governance: Following the listing, how will TMDEL's management team be structured? Will there be any changes to the board of directors or key management personnel? Will TMDEL have its own independent corporate governance structure?</p> <p><b>A4</b></p> <p>TMDEL's proposed board of directors and proposed management team are currently being finalized and the details will be available once TMDEL has made its public filing to Securities Exchange Commission (“SEC”).</p>	

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			TMDEL will have its own independent corporate governance structure in accordance with the NYSE American Company Guide.
1	Azhar Bin Khamaruzaman (cont'd)	Q5	Timeline and Regulatory Approvals: What is the expected timeline for completing the proposed listing? What regulatory approvals are required, and what is the status of these approvals? Are there any potential roadblocks or delays that the company anticipates?
		A5	The indicative timeline for approvals to be obtained from the SEC and NYSE American for the issuance of Prospectus and the listing of TMDEL's Issued Shares will be between December 2024 to January 2025.
		Q6	Impact on Straits Energy Resources Berhad: How will the listing of TMDEL impact the financial performance and operations of Straits Energy Resources Berhad? Will there be any changes to the company's dividend policy or capital allocation strategy?
		A6	The financial impact arising from the proposed listing of TMDEL will be the dilution of Straits' equity interest in TMDEL post-listing.  There will be no change in Straits' dividend policy.
		Q7	Investor Relations: What steps will be taken to communicate with and engage potential investors in the NYSE American market? Does the company have a dedicated investor relations team or plan to appoint one?
		A7	We have engaged an Investor Relations company to handle potential investors of TMDEL.
		Q8	Details of TMDEL's Business: What is the current size and scope of TMDEL's operations? What are TMDEL's key markets and customers? What is TMDEL's recent financial performance, and what are the growth prospects? This information will be important for potential investors to understand the nature of their investment in the company.
		A8	Please refer to Appendix I of the circular dated 12 November 2024.
2	Teoh Kensen	Q1	Restructuring exercise needs to be done on the Group. Q2 2024, the current ratio was 0.83x, negative operating cashflow was ballooning at RM177mil and finance cost/quarter was RM6.3mil. Oil bunkering is a low margin business but with high working capital outlay but for years a lot of monies have been spent on the new businesses namely STS, telco and network but they are loss-making till now. Various fundraisings have been done. Pls look into this before it bursts into PN17

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		<b>A1</b>	The company takes note of your comments and observations with many thanks. Being always mindful of potential risks and challenges, the Company has taken the appropriate steps and strategies to implement and overcome such challenges to ensure the Group remains on course with its business plan at all times.
<b>2</b>	Teoh Kensen (cont'd)	<b>Q2</b>	The Group is facing a risk of being a distressed company under PN17. Restructuring exercise needs to be done on the Group. Q2 2024, the current ratio was 0.83x, negative operating cashflow was ballooning at RM177mil and finance cost/quarter was RM6.3mil. Various monetization done including listing exercises of associate and subsidiary companies, but the financial gap is too big. Please look into restructuring exercise incl. trimming of debt and cost reduction exercise before it is too late.
		<b>A2</b>	The company takes note of your comments and observations with many thanks. Being always mindful of potential risks and challenges, the Company has taken the appropriate steps and strategies to implement and overcome such challenges to ensure the Group remains on course with its business plan at all times.
		<b>Q3</b>	when we can expect the turnaround of its businesses namely STS and telco and network ("T&N"). Despite sizeable contracts for its T&N segment of RM1bil but till now it still loss-making. all the recent acquisitions were loss-making too. the Group cannot afford to continue to expand due to its cash flow constraints. Please focus on its bread-and-butter businesses which are oil bunkering and port operations & management. Please explain on this
		<b>A3</b>	As your questions are not related to the agenda of this EGM, we are unable to respond in this forum. However, you may pose your questions in our 2025 AGM and we shall gladly respond accordingly.
		<b>Q4</b>	Its share price already dropped 23% in tandem with poor financial results. When can we see the turnaround of its businesses
		<b>A4</b>	We have no comments on this as we do not have control over the price of shares traded.
<b>3</b>	Chan Fung Han	<b>Q1</b>	With the dilution of equity interest in TMDEL by Straits, the earnings contribution to the equity holders of Straits will be reduced along with the EPS too. Hence, how could the Proposed Listing of Subsidiary enhancing the value for shareholders?
		<b>A1</b>	Although no IPO proceeds will accrue to Straits, the proceeds shall flow to TMDEL which is a subsidiary of Straits.

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			As TMDEL is expected to utilize the funds raised to expand its business operation to generate higher revenue which will ultimately benefit Straits.
<b>3</b>	Chan Fung Han (cont'd)	<b>Q2</b>	What direct benefits that are accrued to the shareholders of Straits whereby there is no IPO proceeds accrued to Straits?
		<b>A2</b>	TMDEL being a subsidiary of Straits Energy Resources Berhad, will be able to raise its own funds to expand TMDEL Group of companies' operation. Hence, this will reduce the dependency on Straits Group for its funding requirements and allow Straits to allocate more funds to its other subsidiaries to assist and grow their respective business better.
		<b>Q3</b>	What are the professional fees to be paid by TMDEL Group using the IPO proceeds?
		<b>A3</b>	The professional fee to be paid by TMDEL Group using IPO proceeds consist of accounting fee and audit fee.
		<b>Q4</b>	Why the listing expenses is so high at USD3 million to USD3.3 million? Please provide breakdown of composition for this listing expenses and to whom such listing expenses payable to.
		<b>A4</b>	The total sum allocated is an estimation for the anticipated listing expenses which includes SEC registration fee, NYSE American listing fee, FINRA filing fee, underwriting fee, advisors fee, printing and engraving expenses, legal fee and expenses, accounting fee and expenses, transfer agent and expenses.
		<b>Q5</b>	Instead of paying for the general corporate purposes, should TMDEL instead declare dividend and pay to its shareholders include Straits for successfully listing it to the NYSE American?
		<b>A5</b>	<p>TMDEL currently intends to retain all available funds and future earnings, if any, for the operation and expansion of our business and do not anticipate declaring or paying any dividends in the foreseeable future.</p> <p>Any future determination related to our dividend policy will be made at the discretion of our Board upon considering the financial condition, results of operations, capital requirements, contractual requirements, business prospects and other factors deemed relevant, subject to the restrictions contained in any future financing instruments.</p>
		<b>Q6</b>	Why such a high Directors' fee and salaries of RM1,642,000 to be paid from the IPO proceeds while the staff salaries to be paid from the IPO proceeds is only RM545,000? Isn't TMDEL only with one Director ie. Dato' Sri Ho Kam Choy?

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		<b>A6</b>	The estimation includes post-listing expenditures as TMDEL will appoint Chief Executive Officer, Executive Director, three (3) independent directors and Chief Financial Officer.
<b>3</b>	Chan Fung Han (cont'd)	<b>Q7</b>	How the gain on deemed disposal amounting to RM12.72 million being derived?
		<b>A7</b>	The calculation is derived as below: Equity interest of Straits' portion in TMDEL before dilution: RM55.43 million Equity interest of Straits' portion in TMDEL after dilution: RM68.15 million  The gain is calculated as the difference between the fair value of the portion of TMDEL equity interest pre and post dilution.
<b>4</b>	Ariff Bin Adam	<b>Q</b>	Any interesting projects in the pipeline?
		<b>A</b>	As your question is not related to the agenda of this EGM, we are unable to respond in this forum. However, you may pose your questions in our 2025 AGM and we shall gladly respond accordingly.
<b>5</b>	Chong Wei Hon	<b>Q</b>	What is the plan for coming challenging year?
		<b>A</b>	As your question is not related to the agenda of this EGM, we are unable to respond in this forum. However, you may pose your questions in our 2025 AGM and we shall gladly respond accordingly.
<b>6</b>	Muhammad Ashraf Bin Nasirudin	<b>Q</b>	When will u give dividend?
		<b>A</b>	Currently the group is still expanding its business base which requires internal funding. We will plan for payment of dividends to shareholders when the situation permits.
<b>7</b>	Tan Sek Keng	<b>Q</b>	After the listing, what'll be the main business direction for the Straits Energy Resources Berhad itself?
		<b>A</b>	The core business of Straits after TMDEL listing will still be the oil bunkering and shipping related business segment.
<b>8</b>	Lim Mee Har	<b>Q</b>	Does shareholders be given the opportunity to subscribe for the shares?
		<b>A</b>	Yes. Since TMDEL listing is a public issue and is not a restricted issue, it is open to all Shareholders.

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9	Annual Report 2023	<b>Q</b>	Printed hardcopy of Annual Report 2023
		<b>A</b>	The Company has sent a copy of the printed Annual Report 2023 to Shareholders who had requested for it.
10	Circular to Shareholders	<b>Q</b>	Printed hardcopy of Circular to Shareholders
		<b>A</b>	The Company has sent a copy of the printed Circular to Shareholders to Shareholders who had requested for it.
11	EGM E-Voucher	<b>Q</b>	EGM E-Voucher
		<b>A</b>	The Company has agreed to give RM 50.00 cash for each shareholder and proxy who had participated in the EGM via RPV.