

## MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
(Incorporated in Malaysia – Company No. 524989-M)

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### MSWG AGM/EGM WEEKLY WATCH: MAY 15 – 17, 2017

For this week, the following are the AGMs/EGMs of companies in the Minority Shareholder Watchdog Group (MSWG)'s watchlist. The summary of points of interest are highlighted here, while details of the questions to the companies can be obtained via MSWG's website at HYPERLINK "<http://www.mswg.org.my>" [www.mswg.org.my](http://www.mswg.org.my).

#### The AGMs/EGMs for the week:

| Date & Time             | Company                                 | Venue  |
|-------------------------|---|--|
| May 15 2017<br>10.00 am | Malaysian Bulk Carriers Bhd (AGM)       | TPC Kuala Lumpur (Kuala Lumpur Golf & Country Club Bhd), Off Jalan Bukit Kiara |
| May 15 2017<br>10.00 am | UMW Oil & Gas Corp Bhd (AGM)            | Menara Kembar Bank Rakyat, Jalan Rakyat, Kuala Lumpur                          |
| May 15 2017<br>11.00 am | MSM Malaysia Holdings Bhd (AGM)         | Menara Felda, Platinum Park, Persiaran KLCC, Kuala Lumpur                      |
| May 17 2017<br>9.30 am  | Arway (Malaysia) Holdings Bhd (AGM)     | Arway (Malaysia) Sdn. Bhd. 28, Jalan 223, Petaling Jaya                        |
| May 17 2017<br>10.00 am | BIMB Holdings Bhd (AGM)                 | Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL                      |
| May 17 2017<br>11.00 am | Malaysia Smelting Corporation Bhd (AGM) | Hotel Equatorial Penang, 1 Jalan Bukit Jambul, Bayan Lepas, Penang             |

#### The points of interest to be raised:

##### Malaysian Bulk Carriers Bhd

The Group's associate 'PACC Offshore Services Holdings Ltd (POSH)' reported a net attributable loss of US\$371.4 million in FY2016 versus a net attributable loss of US\$131.0 million in FY2015. Excluding impairments, net attributable loss was US\$61.3 million in FY2016 versus a profit of US\$17.5 million in FY2015 mainly due to lower charter rates and utilisation across major business segment. The Group's share of POSH results was a loss of RM325.1 million in FY2016 versus RM106.2 million in FY2015. The Group recognised an impairment of RM39.3 million in 2016 (RM495.8 million in FY2015) on its investment in POSH.

What are the measures taken by the Board to improve the performance of this associate?

##### UMW Oil & Gas Corporation Bhd

As stated in the Management Discussion and Analysis, the Group posted a loss before tax of RM1,181 million for the financial year ended 31 December 2016, as compared to a loss before tax of RM348 million in the preceding year. It was also reported that the losses were resulted by weak demand for the Group's drilling and oilfield services due to prolonged low oil prices as well as asset impairment amounting to RM780 million.

- Is the Board expecting further asset impairment for FY2017?
- What would be the outlook for FY2017?

##### MSM Malaysia Holdings Bhd

The Sales Analysis on Page 4.7 showed that the sales volume for export and industries for FY2016 were lower compared with FY2015 while sales volume for domestic market had increased.

1a) Given that one of the functions of MSM Dubai that was opened in February 2016 is to undertake sugar trading activities for Middle East & North Africa region and neighbouring Asia Pacific region, what was the reason for the drop in export sales?

1b) Would the Board foresee significant impact on the export sales of the Company from the abolishment of EU sugar quota system by end of 2017?

1c) Despite that the sales volume for domestic market had increased in FY2016, we noted that the domestic market share for the Company had declined from 65% in FY2015 to 60% in FY2016. What was the reason for the decline in market share?

1d) In April 2016, the Government had halted the issuance of import permit (AP) for sugar. Would the Board see the increase in domestic and local industries sales, moving forward?

1e) The price of refined sugar was reviewed and increased from RM2.84 to RM2.95 per kg from 1 March 2016. How has this impact the domestic and industries sugar consumption?

##### BIMB Holdings Bhd

The banking landscape is expected to be challenging with moderate loan growth in 2017 coupled with competition for CASA and increasing pressure on net interest margin and overall higher expected credit costs and impaired assets. Given the above, please explain the impact on the Group arising from the following:

- The defensive strategy the Bank is employing.
- Right sizing its CASA and loan portfolio mix.
- Measures taken to comply with MFRS9 and the impact on its Capital under Basel III and financial performance in 2017/2018.
- Impact of Data mining/ Big Data/Digital Technology wave and "FinTech".
- Group's KPIs FY 2017 and its aspirations, going forward.