

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Company No. 524989-M)

NST - Business – 17-19 April, 2017(A)

MSWG AGM/EOM WEEKLY WATCH: APRIL 17 – 19, 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.

The AGMs/EGMs for the week:

Date & Time	Company	Venue
Apr 17 2017 10.30 am	Petronas Gas Bhd (AGM)	Kuala Lumpur Convention Centre, Jalan Ampang, KL
Apr 18 2017 10.30 am	British American Tobacco (M) Bhd (AGM)	Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL
Apr 19 2017 10.00 am	Petronas Dagangan Bhd (AGM)	Kuala Lumpur Convention Centre, Jalan Ampang, K
Apr 19 2017 10.00 am	OSK Holdings Bhd (AGM)	Swiss-Garden Hotel & Residences Kuala Lumpur
Apr 19 2017 10.30 am	Malakoff Corporation Bhd (AGM)	Hotel Istana Kuala Lumpur
Apr 19 2017 11.00 am	Malaysia Marine & Heavy Engineering Holdings Bhd (AGM)	Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, KL

The points of interest to be raised:

Petronas Gas Bhd

1. Under the Gas Supply (Amendment) Act 2016 (GSA), gas tariff and terms of services will be regulated and determined by the Energy Commission. This marks a departure from the practice to date, where both transmission and regasification tariffs have been agreed between PETRONAS and PGB, taking into account PGB's investments in the infrastructure required to supply gas to PETRONAS' customers.

What would be the impact and implications to PGB's revenue and other aspects of its operations, if any, following the new amendment?

British American Tobacco (M) Bhd

We refer to the article published by The Star on 28 March 2017 announcing the possible hike in the prices of cigarettes and raising of minimum age limit to 21 for those permitted to buy cigarettes. Could the Board comment on this and the impact to the Group?

We noted that the total trade and other receivables increased from RM203.8 million in FYE 2015 to RM342.2 million in FYE 2016 despite the 18% reduction in revenue for FYE 2016.

What were the reasons for the increase in the Group's trade and other receivables which outpaced the increase of the Group's revenue?

Out of RM37.5 million amount due from subsidiaries, RM6.9 million was past due for more than 120 days. What is the normal trade credit terms and how long has this amount been outstanding?

Petronas Dagangan Bhd

During the year, an impairment on subsidy receivables of RM89.9 million was made with respect to subsidy claims for diesel for the period April 2012 to January 2013 as no decision has been made on its repayment by the Government.

Why was the impairment made only after so many years?

What were the issues relating to the non-payment by the Government?

What actions are PDB taking to recover the amount and what is the latest development?

What is the probability of recovering the amount?

OSK Holdings Bhd

According to the Group Managing Director's Review, the Hotels Division recorded a loss of RM16.3 million in FY 2016, mainly due to low occupancy rates across the Group's hotels and operating costs incurred in the newly-opened Swiss-Inn Johor Bahru. The Division also made a provision for impairment in respect of development cost incurred in Damai Laut resort amounting to RM10.4 million.

What was the average occupancy rate of the hotels?

What are the measures taken to improve the occupancy rates of the hotels?

Malaysia Marine & Heavy Engineering Holdings Bhd

The Profit Before Tax of the Group has been on a declining trend since FY 2012 and culminated into a Loss Before Tax of RM135 million in FY 2016. The Loss Before Tax was mainly due to a contraction in the Oil and Gas industry impacting the Group's order book and also an impairment provision of RM141 million.

Does the Board expect further substantial impairment provisions for FY 2017?

Is the Group expected to turn around in FY 2017 and if yes, what would be the key factors?