

MSWG

MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia * Company No. 524898-M

The Observer

04 April 2013

MESSAGE FROM THE CEO



The market saw significant swings today, (3 April 2013) as the Prime Minister announced the much awaited dissolution of Parliament on national television. The KLCI dropped close to 50 plus points early in the morning only to retrace to 1692.95, a 0.2% increase. It would be exciting times over the next few weeks run up to the election where we will see colourful flags of different political parties adorning our streets. It should be a pretty sight like always with campaigning set to take place at feverish levels.

Coming back to corporate matters, Kamdar's two major shareholders had requisitioned the removal of three directors who were helming the company for several years. While we are open to major shareholders taking such actions, we are hopeful that more explanation on how the new directors can bring value is obtained during the EGM. (Kindly refer to Our Quick Take on Transactions in this newsletter.)

On MISC, we look forward towards this Friday, when the Company's offer period comes to a close. As reiterated, non-interested shareholders who have yet to make up their minds on the offer can still wait out for a better price if they wish to do so and hope that EPF can push for a better offer as their role as a substantial minority shareholder is crucial here. Bear in mind there could be a downside risk in the shorter term if the privatisation does not go through.

Aside from these, we would like to also briefly mention our meeting with MRCB recently. On 28th March, MSWG received officials from the Company which presented a detailed account of the Gapurna deal i.e the merits of proposal. Apart from taking us through the deal we were also attracted by the gusto shown by Imran, head at Gapurna. His entrepreneurial flair is a breath of fresh air for MRCB.

In line with MSWG policy of tenure limit, our Chairman Tan Sri Abdul Halim Ali had resigned after 12 years in service. We would like to extend our gratitude to him for his past contributions to the Company and we wish him all the best in his future endeavours.

Regards...

Rita

CEO IN THE NEWS

Director for Minority Slate

SECTORIAL REVIEW

Automotive Sector

Automotive players have much to cheer with the positive news coming out from the local sector. According to recent statistics by Malaysian Automotive Association the industry is poised for improved growth this year. According to MAA president Datuk Aishah Ahmad, the total industry volume benchmark for car sales in 2013 is set to hit 640,000 cars. This is premised on strong car sales performance which surged to 18% in the first two months of 2013, where up to February sales saw an increase of 18%. At the same time, several structural changes are eventuating in the car industry including the possibility of a reduction in overall prices which is expected to emanate from lower excise duties. At present excise duties range between 65% to 105%, while sales tax make up 10%. The MAA president also reiterated while lower car prices are much lauded, it would be a great challenge. One of the hurdles faced by authorities includes a vibrant second hand market.

MSWG's QUICK TAKE ON ONGOING CORPORATE TRANSACTIONS

KAMDAR GROUP (M) BERHAD

(For reader's knowledge MSWG does not own any shares in Kamdar)

Bipinchandra Balvantrai and Gautam Kamdar Bipinchandra who collectively holds more than 10% equity interest in Kamdar, made an announcement to convene extraordinary general meeting (EGM) to be held on May 2, to remove three directors and appoint new ones. Those who are proposed to be removed include Kamal Kumar Kishorchandra, Rajesh Kumar Gejinder Nath and Liang Ah Wah.

MSWG Comments:

The Circular to shareholders stated the purpose of the removal was to take active steps to address the issue of the dismal business performance of the ladies and children departments which were managed by the incumbents. From our review of the Company's 3 years performance the net profit margins was in the range of 6.5% in line with the industry norm and between RM14-15 million. We await the entire outcome when the matter is deliberated by shareholders at EGM to be convened on the 2nd of May.

MSWG's Watchlist

MBf Holdings

MBf Holdings Bhd has extended its revised takeover acceptance offer to minority shareholders to 28 April. The company stated all other items and conditions of the offer remain unchanged. MBf's major shareholder, Tan Sri Dr Ninian Mogan Lourdenadin, is taking the company private.

Sime Darby

UMW

Elsewhere on the local corporate news, Permodalan Nasional Bhd (PNB) will announce suitors for Sime Darby Bhd's and UMW Holdings Bhd's non-core assets in the next two or three months.

The state-owned fund manager has stakes in more than 13 government-linked companies (GLCs) and is in the midst of divesting their non-core assets. PNB president and group chief executive Tan Sri Hamad Kama Piah Che Othman said negotiations are ongoing and divestments will be done in the best interest of shareholders.

MBSB

MBSB was in the news through its auto financing initiative launch to cater for wider customer base. In an attempt to bolster its position in the automotive financing business segment the auto financing scheme would assist car buyers in providing certain flexibility where buyers may undertake gradual payments based on their monthly income. Traditionally, a housing loan provider to civil servants, the Company is positioning itself to be a player in this market. The scheme is specifically for Chevrolet car buyers. In general, analysts see this as a positive development for MBSB as it intensifies itself into the lucrative auto financing segment.

HLB

HLB surprised the market with its announcement on the resignation of its head Datuk Yvonne Chia. Many investors are on guessing game as to the resignation. The HLB Board has accepted Yvonne's resignation and respected her decision.

Disclosure of Interests

- With regard to the companies mentioned, MSWG holds a minimum number of shares in all these companies covered in this newsletter, except Kamdar Group (M) Berhad.
 - The CEO has minimal shareholdings in MRCB
-

Local News and Developments

MAS Joins Malaysia, Thailand In Implementation Of Cross Border Securities Offering Standards
<http://www.bernama.com/bernama/v7/bu/newsbusiness.php?id=938670>

Analysts see more downside risk for banking sector
<http://biz.thestar.com.my/news/story.asp?file=/2013/4/2/business/12914215&sec=business>

Lafarge mulls expansion drive
http://www.btimes.com.my/Current_News/BTIMES/articles/20130331233435/Article/index.html

Global News and Developments

Cypriot authorities confirm raid on big depositors
<http://www.telegraph.co.uk/finance/financialcrisis/9962244/Cypriot-authorities-confirm-raid-on-big-depositors.html>

Toys R Us withdraws proposed Initial public offering
<http://www.reuters.com/article/2013/03/29/toysrus-ipo-idUSL2N0CL0JO20130329>

MSWG Analysts

Lya Rahman, General Manager, Corporate Services, lyarahman@mswg.org.my
Chong Chee Fern, General Manager, Corporate Monitoring chongcf@mswg.org.my
Rebecca Yap, Head, Corporate Monitoring rebecca.yap@mswg.org.my
Quah Ban Aik, Head, Corporate Monitoring banaik.quah@mswg.org.my
Ng Hoon Ho, Senior Manager, Corporate Monitoring nghh@mswg.org.my
Norhisam Sidek, Manager, Corporate Monitoring norhisam@mswg.org.my
Shahnul Niza Mohd Yusof, Manager, Research shahnul.niza@mswg.org.my
Lee Cheng Meng, Manager, Corporate Monitoring cheemeng@mswg.org.my
Wong Kin Wing, Senior Analyst, Corporate Monitoring, kinwing@mswg.org.my
Nor Khalidah Khalil, Analyst, Corporate Monitoring khalidah@mswg.org.my
Muhammad Ammar Maslan, Analyst, Corporate Monitoring ammar@mswg.org.my

TWO DAYS SEMINAR on "FORENSIC ACCOUNTING"



MR. PRABHAT KUMAR
FACILITATOR
FCA, B Com (H), DIFA, CFE

MSWG will be holding a two-day seminar themed, "FORENSIC ACCOUNTING", on 8th & 9th May 2013 to be held at **Centre of Excellence 1, Mezzanine Floor, Hotel Istana Kuala Lumpur.**

This course combines fraud accounting and investigative techniques and explains to the participants the nature of occupational fraud, how to detect fraudulent activities, and most importantly how to identify red flags so that an initial investigation may be conducted to ascertain the wrongdoing if there is any.

The course will be conducted by a leading expert in this field, **Mr Prabhat Kumar** who brings his unparalleled expertise in the domain of occupational fraud investigation. The details of the programme are as follows:

Seminar Details

- Date** : 8th & 9th May 2013
REGISTRATION FEE : RM2,000 PER PARTICIPANT
SPECIAL OFFER : MSWG SUBSCRIBERS (30% Discount)
: GROUP REGISTRATION (10% Discount)
*No complimentary seats for subscribers
*Early Bird discount only for non-subscribers
Venue : Centre Of Excellence 1, Mezzanine Floor Hotel Istana, Kuala Lumpur

[Click here to view more details and Registration Form.](#)

Register **NOW** for this exciting and informative event!

Feedback

We welcome your feedback on our newsletter and our work. Email us at mswg.ceo@mswg.org.my with your comments and suggestions.

You are receiving this email because you opted-in at our website, subscribe to MSWG's services, or have indicated an interest in staying informed of MSWG and its work.

[Unsubscribe](#) << Test Email Address >> from this list | [Forward to a friend](#)

Our mailing address is:
Minority Shareholder Watchdog Group
Tingkat 11, Bangunan KWSP,
No. 3, Changkat Raja Chulan, Off Jalan Raja Chulan
Kuala Lumpur, Wilayah Persekutuan 50200
Malaysia

[Add us to your address book](#)

