



MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia * Company No. 524898-M

The Observer

22 March 2013

MESSAGE FROM THE CEO



The AGM period for financial year ended 2012 has picked up steam. One of the issues raised during this season was on succession plan. We witnessed SP Setia putting in place a clear succession plan among its top executive included SP Setia deputy president and COO Datuk Voon Tin Yow will succeed Tan Sri Liew Kee Sin as the head after Liew's retirement. Whereas, Public Bank said it was aware of the importance of succession planning and as such, had earmarked candidates for senior management training.

Separately, the news of the Cyprus' 10 billion Euro Dollar bail-out package has sent mixed signals in the Euro zone on its debt problems and the sanctity of bank deposits were in question causing some elements of confident crisis. If anything, this development has shown again the fragility of the Euro financial crisis's recovery.

Our financial market remained resilient and had just released the GDP growth for year 2012 which was 5.6% and above expectations. The GDP in 2013 is expected to grow 5% to 6%.

We are now awaiting for the time for the dissolution of Parliament which should be any time soon, paving the way for the 13th GE.

Regards...

Rita

FINANCIAL MARKET UPDATES

The Malaysia 2012 GDP growth was reported at 5.6% according to the latest BNM report and BNM expects the country's economy to register 5-6 % growth in 2013 due to continued expansion in all economic sectors. Headline inflation is expected to range between 2-3 % in 2013, higher than 1.6% inflation rate in 2012.

On the banking sector, BNM had tighten the credit process managed with its lending measure to contain the household indebtedness to a manageable level and hence the household sector's non-performing loans registering only 1.5% of total loan.

MSWG's QUICK TAKE ON ONGOING CORPORATE TRANSACTIONS

MISC BERHAD (“MISC”)

The offeror, Petronas Nasional Berhad (“Petronas”) has extended the closing date for acceptance of the privatisation offer from 19 March 2013 to 5 April 2013. All other details, terms and conditions except the revised closing date of the privatisation offer remain unchanged. Acceptances of the offer received by the offeror was 0.74% as at 15 March 2013, while acceptances of the offer received but yet to be verified as at 15 March 2013 was 2.28%.

MSWG’S COMMENTS:

To date, the rate of acceptance of the offer and the total Petronas’ holding on MISC, including the acceptances that have been received by the offerors but yet to be verified, are 3.02% and 65.69% respectively. It seems that many minority shareholders are not willing to accept this offer price of RM5.30. If the offer is not well accepted up to 90% in the nominal value of the shares, the proposed privatisation would be aborted as it is a conditional offer.

On the request by institution investors, MSWG will organise a forum next Tuesday, 26 March 2013 at 10.30 a.m., at MSWG Training Centre. The forum is to discuss on the take-over offer.

S P SETIA BERHAD (“SP SETIA”) & PUBLIC BANK BERHAD (“PUBLIC BANK”)

The Board of SP Setia announced on 14 March 2013 that a Management Succession Plan for SP Setia has been formalised and approved. Dato’ Voon Tin Yow, the current Deputy President & Chief Operating Officer, will succeed Tan Sri Liew Kee Sin as President & CEO upon Liew’s eventual retirement. Dato’ Teow Leong Seng, presently an Executive Vice-President and the Group’s Chief Financial Officer will take over as Deputy President. As for Public Bank, the process of succession planning is being undertaken.

MSWG’S COMMENTS:

MSWG welcomes the succession plans in SP Setia and the process in place for Public Bank. Proper succession planning ensures the smooth transition of personnel for the objective of building long-term sustainable performance and the continuing success of the group.

MBF HOLDINGS BERHAD (“MBfH”)

After the revision of the offer price on 14 March 2013, the level of holdings of the joint offerors was 93.31% of the total issued and paid-up shares. The Independent Advice Circular (“IAC”) has yet to be issued.

MSWG’S COMMENTS:

There have been grumblings from minority shareholders to MSWG recently on the revised offer price of RM1.70 which is stated to be still at a huge discount of 28% to the latest net asset per share of RM2.37. They are also awaiting the IAC to make their decision. The revised offer will be kept open for acceptances until 3 April 2013, which is 13 days more. We hope that the IAC report will be out soon.

MSWG's Watchlist

COUNTRY HEIGHT GROWER SCHEME (“CHGS”)

The first 10% of the grower fees promised by Tan Sri Lee Kim Yew was paid out during the 2nd week of March 2013. We believe the subsequent payment of the remaining 90% grower fees will be made in 5 months. In addition, the amount of 12% interest from Tan Sri Lee Kim Yew is expected to also be paid within 5 months, as promised in good faith in the Growers’ meeting.

METRONIC GLOBAL BERHAD (“MTRONIC”)

The Board of Directors of Mtronic announced on 18 March 2013 that Ferrier Hodgson Sdn Bhd has been appointed on 15 March 2013 as an Investigative Accountant to conduct a thorough review on the long outstanding related party receivables for the amount of approximately RM44.5 million due from MH Projects Sdn Bhd. The review is expected to complete in 4 to 6 weeks from the commencement of review work.

MAH SING GROUP BERHAD (“MAH SING”)

The company proposed fund raising from the shareholders by issuing up to 280,099,803 right shares at an issue price of RM1.42 per right share together with up to 168,059,881 free detachable warrants. At the close of the acceptance, excess application and payment for the rights issue with warrants, Mah Sing had received acceptances and excess application for a total of 332,070,655 right shares which represent an over-subscription of 18.55% over the total number of right shares available.

Local News and Developments

MSWG Annual Report

http://www.mswg.org.my/web/files/editor_files/file/MSWG-AR-2-20130314_EMAIL.pdf

SC Annual Report

<http://www.sc.com.my/main.asp?pageid=381&linkid=3246&yearno=2012&mod=paper>

Limelight on buyout bids in otherwise quiet market

<http://biz.thestar.com.my/news/story.asp?file=/2013/3/18/business/20130318090557&sec=business>

Is RHB-MBSB merger on?

<http://biz.thestar.com.my/news/story.asp?file=/2012/1/13/business/10251859&sec=business>

A record year for Malaysia's RM2.5 trillion capital market

<http://www.sc.com.my/main.asp?pageid=379&linkid=3247&yearno=2013&mod=paper>

Listed firms told to be transparent to investors

<http://biz.thestar.com.my/news/story.asp?file=/2013/3/18/business/12851784&sec=business>

Global News and Developments

The Bailout For Cyprus: A FAQ To The Latest European Financial Crisis

<http://www.forbes.com/sites/abrambrown/2013/03/18/the-meltdown-on-cyprus-a-faq-guide-to-the-latest-european-financial-crisis/>

Singapore Exports Fall

http://online.wsj.com/article/SB10001424127887323415304578367641977785794.html?mod=ITP_pageone_3

Lion Mentari Orders 234 Airbus Jets to Challenge AirAsia

<http://www.bloomberg.com/news/2013-03-18/airbus-wins-24-billion-lion-air-order-for-234-airliners.html>

Disclosure of Interests

With regard to the companies mentioned, MSWG holds a minimum number of shares in all these companies.

MSWG FORUM on MISC BERHAD PRIVATISATION

MSWG is organizing a forum on the MISC Berhad Privatisation.

The details are as follows:-

Date : 26 march 2013 (Tuesday)

Time : 10.30a.m.

Venue : MSWG Training Centre, Kuala Lumpur

Please register to ensure you are able to participate in the forum.

For retail shareholders, kindly bring along your latest CDS Statement.

Please provide the following information for registration: Name, IC number , Email Address, Phone number

Investors are invited to register with the following personnel:

Ms. Zairina at zairina@mswg.org.my

Mr. Vinodth at vinodth.ram@mswg.org.my

Ms. Sharon at sharongoh@mswg.org.my

Contact number: 03 – 2070 9090

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Feedback

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

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