

# 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 Feb 1-5

For this week, the following are the EGMs of companies which are on the list of Minority Shareholder Watchdog Group (MSWG). The summary points of interest are highlighted below. Details of the questions to the companies can be obtained via the MSWG website at [www.mswg.org.my](http://www.mswg.org.my).

### The EGMs for the week:

Date & Time	Company	Venue
Feb 3, 10.00am	Land & General Bhd EGM	Sri Damansara Club, Bandar Sri Damansara, Kuala Lumpur
Feb 3, 10.00am	Concrete Engineering Products Bhd EGM	Menara Integriti, Malaysia Institute of Integrity, Jalan Duta, Kuala Lumpur
Feb 4, 10.00am	Petra Perdana Bhd EGM	Renaissance Hotel, Kuala Lumpur
Feb 4, 10.00am	Ho Hup Construction Company Bhd EGM	Sime Darby Convention Centre, Bukit Kiara, Kuala Lumpur

### The points of interest to be raised

Company	Points/issues to be raised
Land & General Bhd	<ul style="list-style-type: none"> <li>⊗ The valuation certificate prepared by the independent valuer Messrs Raine &amp; Horne states that in its opinion, the market value of the proposed land acquisition is RM68mil.</li> <li>a) Barely 2½ years ago, the same land was bought by Sazean Development Sdn Bhd (SDSB) from Malaysia Building Society Bhd (MBSB) at RM28 million. Could the board explain the justification for the payment of a total cash consideration of RM55mil for the acquisition, representing a premium of 96% or a profit of RM27mil for the vendor (SDSB) barely two years later, bearing in mind 2007 was a high for the property market?</li> <li>b) Why has the board not considered obtaining a second opinion from an alternative independent valuer for the proposed land acquisition?</li> <li>⊗ Could the board explain how the basis for the estimated gross development value of the proposed project of about RM380mil and the estimated gross profit of RM130mil was derived, bearing in mind the number of units in respect of each type of development has yet to be finalised at this juncture?</li> </ul>
Concrete Engineering Products Bhd	<ul style="list-style-type: none"> <li>⊗ The group's trade receivables had increased 45% from RM40.63mil in 2008 to RM58.90mil in 2009. The amount accounted for 24.5% (2008: 20.5%) of the group's revenue. What are the plans that the board has in place to manage and control the trade receivables?</li> <li>⊗ Who is the single customer that contributed to about 35% (RM20.82mil) of the total trade receivables as at the balance sheet date? Was there any settlement from this customer subsequent to the year end?</li> </ul>
Petra Perdana Bhd	<p>MSWG recommends that shareholders of Petra Perdana Bhd (PPB) attend the upcoming EGM which was requisitioned by the shareholders for the purposes of removing certain directors on the board of PPB and appointment of new directors to the board.</p> <p>MSWG also believes that it is important for all the directors of PPB to attend the said meeting to enable shareholders to raise concerns and seek clarification on matters from the directors. MSWG would like to seek clarification on the following:</p> <ul style="list-style-type: none"> <li>⊗ In the circular dated Oct 24, 2009, the board, in its rationale for the disposal of three vessels to Petra Energy Bhd (PEB), stated that "although the proposed disposal will result in PPB not being able to enjoy charter income from the vessels from the PEB group or other parties, PPB, as the major shareholder of PEB, will benefit from its share of the earnings of the PEB group that will be generated from the performance of the Shell contract."</li> <li>Could the board clarify the above statement made in the circular and the subsequent disposal of stake in PEB in December 2009?</li> <li>⊗ The board has sought a general mandate on divestment of shares in PEB, up to 10% of the share capital of PEB, for the past three years and the mandate was approved by shareholders. Would the recent disposal of shares in PEB require shareholders' approval for the best interest of the shareholders?</li> </ul>
Ho Hup Construction Company Bhd	<p>MSWG recommends that shareholders of Ho Hup Construction Company Bhd attend the EGM of Ho Hup to decide on the removal of seven directors and to appoint six new directors.</p>