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MESSAGE FROM THE CEO



The pace of privatisations seems to be continuing. TSM Global is a financially-sound company where the majority shareholder wants to privatise. My further comments will appear as an accompaniment to the earlier views we published last week.

At AsiaEP, we also see the inherent dangers of expanding beyond one's core business of expertise. The ensuing board tussle emanating from expansion of the business from IT to construction is also a topic I will discuss further.

On a separate note, Bank Negara's expectation of economic growth for the year (between 4 and 5 per cent) is more conservative than the Ministry of Finance's official projection of 5 to 6 per cent.

This expected slowdown in the market should be read together with the Central Bank's measures to contain excessive borrowing. As the data shows, household debt has risen from 62.7 per cent of GDP in 2008 to 75.8 per cent in 2010, and stood at 76.6 per cent at end-2011. While economic growth is essential for an economy to function, excessive borrowing and profligacy are not.

Caution, henceforth, should be the order of the day, and this must translate into the investment choices we make.

Best regards...

Rita Benoy Bushon

MSWG's Quick Take on Ongoing Corporate Transactions

TSM Global Berhad (TSM): The deadline for acceptance of the offer to acquire all of the Company's business and undertakings, including all assets and liabilities, was extended to 6 April 2012. However, West River Capital Sdn Bhd (WRC) turned down the Board's request to

increase the offer terms, including price. The Board is seeking alternative bids for TSM's business and undertakings, including all assets and liabilities, by 2 April 2012.

MSWG's Comment: *We have received some feedback from the shareholders on the privatisation offer, particularly on the fairness of the offer price. Even though TSM is a thinly traded stock for the most part, the takeover drew some attention in the market with write-ups on the privatisation appearing in various print media.*

Please visit our website at <http://www.mswg.org.my/web/news.php> for our commentary of 17 March 2012 in *The Star* newspaper regarding the privatisation.

Esso Malaysia Berhad (ESSO): Subsequent to the fulfillment of all conditions precedent pertaining to the proposed acquisition of 65% of ESSO shares by San Miguel Corporation (SMC) from ExxonMobil International Holdings Inc, SMC is extending the mandatory and unconditional general take-over offer to acquire the remaining 35% of ESSO shares at RM3.59 per share. The offeror does not intend to maintain the listing status of ESSO and the Board of Directors has no plans to seek a competing or alternative take-over offer.

MSWG's Comment: *Some of the issues of interest to the non-interested shareholders include:*

1. *whether Esso has received other offers and, if so, the reason(s) for not considering them.*
2. *how the change in shareholding would affect the Company's strategic directions and operations.*

Shareholders of ESSO are advised to read the independent adviser's circular before deciding on the offer.

Mahajaya Berhad (MAHJAYA): The takeover offer by the joint offerors became unconditional on 19 March 2012 after the joint offerors and persons acting in concert collectively held more than 90% of the listed shares in MAHJAYA. Pursuant to Listing Requirements, trading of the stock will be suspended upon the expiry of five (5) market days from 19 March 2012, as the Joint Offerors have no intention of maintaining the company's listing status. The closing date of the offer has been extended to 9 April 2012.

Local News and Developments

[TSM Global privatisation via acquisition of assets and liabilities](http://biz.thestar.com.my/news/story.asp?file=/2012/3/17/business/10933653&sec=business)

<http://biz.thestar.com.my/news/story.asp?file=/2012/3/17/business/10933653&sec=business>

Global News and Developments

[Family-linked firms 'perform better'](http://www.todayonline.com/Business/EDC120321-0000057/Family-linked-firms-perform-better)

<http://www.todayonline.com/Business/EDC120321-0000057/Family-linked-firms-perform-better>

[Threat of class action better than hefty fines](http://www.smh.com.au/business/threat-of-class-action-better-than-hefty-fines-20120319-1vfq9.html)

<http://www.smh.com.au/business/threat-of-class-action-better-than-hefty-fines-20120319-1vfq9.html>

[Call for tougher disclosure fines](http://www.brisbanetimes.com.au/business/call-for-tougher-disclosure-fines-20120319-1vfqn.html)

<http://www.brisbanetimes.com.au/business/call-for-tougher-disclosure-fines-20120319-1vfqn.html>

[Do Proxy Firms Need More Regulation?](http://www.business2community.com/trends-news/do-proxy-firms-need-more-regulation-0148622)

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Upcoming Seminar: Corporate Governance - The Competitive Advantage (16 April 2012)

MSWG will be presenting the one-day seminar **Corporate Governance - The Competitive Advantage** on 16 April 2012 at the Sime Darby Convention Centre, Kuala Lumpur. The seminar will include a presentation of findings from MSWG's Malaysian Corporate Governance Index 2011, and moderated panel discussions involving corporate governance experts and leaders from some of Malaysia's top public listed companies. Session topics include:

- MSWG's MCG Index 2011: Presentation of Findings
- Corporate Governance Scorecards - Substance vs. Form?
- Business Sustainability - Modern Myth or Genuine Business Case?
- Universal Principles of CG Best Practices - Expectations of the Smaller Companies

Through their participation at this seminar, participants will gain an understanding of how corporate governance scorecards and ratings can be used to encourage the implementation and use of corporate governance best practices at public-listed companies (PLCs), and will learn how to apply CG best practices and scorecards to achieve a competitive advantage through operational excellence and business sustainability.

Seminar fees are RM950 and include a complimentary copy of MSWG's **Malaysia Corporate Governance Index 2011 Report** (retail value: RM250).

To register, please [download a registration form](#) from our website at www.mswg.org.my/web/iep.php.

Feedback

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