



MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia * Company No. 524898-M

The Observer

10 April 2015

MARKET AND REGULATORY UPDATE

BANK NEGARA MALAYSIA (BNM): LIQUIDITY COVERAGE RATIO (LCR)

BNM had on 3 April 2015 finalised the LCR standard, which takes into account feedback and suggestions provided during the public consultation process. The Bank received written and verbal responses from over 40 respondents during the consultation process. The respondents were broadly supportive of the proposals set out in the Concept Paper.

The LCR is a quantitative requirement which seeks to ensure that banking institutions hold sufficient high-quality liquid assets to withstand an acute liquidity stress scenario over a 30-day horizon at both the entity and consolidated level.

The LCR requirements shall take effect on 1 June 2015.

[Source: Publication of LCR final standard on BNM's website on 3 April 2015]

MSWG's QUICK TAKE ON ONGOING CORPORATE TRANSACTIONS

MULPHA LAND BERHAD (MLB)

The Independent Adviser (IA), MainStreet Adviser Sdn Bhd had expressed the views that the privatisation offer was not fair and not reasonable. In the Independent Advice Circular dated 6 April 2015, the IA advised minority shareholders to reject the offer at RM0.497 per MLB share representing a discount of RM0.203 or 29% to the realisable net asset value (RNAV) of MLB of RM159.26 million or RM0.70 per MLB share.

In addition, the Offer Price represents a range of premiums ranging from 2.16% to 8.71% to the 1-month, 3-month, 6-month and 1-year volume weighted average price of MLB share.

[Source: MLB's announcement on Bursa Malaysia's website on 6 April 2015]

MSWG'S COMMENTS:

It was not unexpected that the IA had viewed the Offer as not fair and not reasonable as the Offer Price not only represents a significant discount of 29% to MLB's RNAV per share but MLB's shares have

been traded above the Offer Price for the most recent period from the last trading day (5 March 2015) of the MLB shares prior to the date of Notice to the latest practical date (31 March 2015) which is not more than seven days prior to the date of the IAC (6 April 2015). At the time of writing, MLB's shares were still traded at above the Offer Price.

MSWG's WATCHLIST

INTEGRAX BERHAD (INTEGRAX) / TENAGA NASIONAL BERHAD (TNB)

The Board of Directors of Integrax announced on 8 April 2015 that TNB has received valid acceptances from the holders of Integrax shares resulting in TNB holding, in aggregate including their initial pre-Offer holdings of Integrax shares up to 90.21% of the total voting shares of Integrax, thus rendering Integrax shares to be suspended from trading at Bursa Malaysia on 21 April 2015. Accordingly, TNB will procure the withdrawal of Integrax' listing status from the Official List of Bursa Malaysia in accordance with the Listing Requirements.

In the event TNB receives valid acceptances of more than nine-tenths (9/10) or 70.1% in nominal value of the Offer shares, TNB intends to invoke the provisions of Section 222(1) of the Capital Markets & Services Act, 2007 to compulsorily acquire any remaining Offer shares.

[Source: Integrax's announcement on Bursa Malaysia's website on 8 April 2015]

MISC BERHAD (MISC)

The Board of Directors of MISC announced on 7 April 2015 that MISC intends to seek the approval of its shareholders for the proposed authority for MISC to purchase its own shares of up to 10% of MISC's prevailing ordinary issued and paid-up share capital at any time (Proposed Share Buy-Back Authority) at the forthcoming Forty-Sixth Annual General Meeting to be convened.

The Proposed Share Buy-Back Authority would provide MISC with an option to purchase its own shares at a future date when MISC's Board deems it appropriate after taking into account the availability of funds, business considerations, relevant cost factors, and market conditions and sentiment.

A circular to the shareholders of MISC containing the details of the Proposed Share Buy-Back Authority together with MISC's Annual Report 2014 will be despatched to the shareholders of MISC in due course.

[Source: MISC's announcement on Bursa Malaysia's website on 7 April 2015]

LOCAL NEWS AND DEVELOPMENTS

Publication of Liquidity Coverage Ratio final standard

http://www.bnm.gov.my/index.php?ch=en_announcement&pg=en_announcement_all&ac=357&lang=en

Malakoff locks in cornerstones for IPO, say sources

<http://www.themalaymailonline.com/money/article/malakoff-locks-in-cornerstones-for-ipo-say-sources>

Parkson's profit warning

<http://www.thestar.com.my/Business/Business-News/2015/04/04/Parksons-profit-warning-Rules-are-rules-Reserves-drop/?style=biz>

February exports down

<http://www.thestar.com.my/Business/Business-News/2015/04/04/February-exports-down/?style=biz>

Perwaja eyes Chinese firm's expertise to rejuvenate financials

<http://www.theedgemarkets.com/my/article/perwaja-eyes-chinese-firms-expertise-rejuvenate-financials?type=Markets>

Khazanah stays the course on 6,000 MAS job cuts

<http://www.theedgemarkets.com/my/article/khazanah-stays-course-6000-mas-job-cuts?type=Markets>

LCR guidelines unlikely to ease retail deposit competition

<http://www.thesundaily.my/news/1375621>

Banks need to reach minimum liquidity coverage ratio of 60% by June

<http://www.thestar.com.my/Business/Business-News/2015/04/07/Banks-need-to-reach-minimum-liquidity-coverage-ratio-of-60-by-June/?style=biz>

BNM international reserves stood at RM389.7b end Mar, from RM386b in Feb

<http://www.theedgemarkets.com/my/article/bnm-international-reserves-stood-rm3897b-end-mar-rm386b-feb>

Mulpha Land shareholders told to reject offer

<http://www.thesundaily.my/news/1376595>

GLOBAL NEWS AND DEVELOPMENTS

Weak jobs keeps Fed at bay until second half

<http://www.cnbc.com/id/102558281>

Greece says ready to make IMF payment on April 9

<http://www.reuters.com/article/2015/04/03/us-eurozone-greece-payment-idUSKBN0MU0M620150403>

UK economic growth revised up to 2.8% in 2014

<http://www.ft.com/intl/cms/s/0/12dc0348-d780-11e4-94b1-00144feab7de.html#axzz3WUMPxrvy>

New rules on global banks' interest-rate risks face delays: sources

<http://www.reuters.com/article/2015/04/03/us-basel-banks-rates-idUSKBN0MU0WQ20150403>

Oil prices up more than \$1, potential Iran deal impact seen taking months

<http://www.reuters.com/article/2015/04/06/us-markets-oil-idUSKBN0MX01T20150406>

China's services sector expands in March, job growth at 10-month low: survey

<http://uk.reuters.com/article/2015/04/03/uk-china-economy-pmi-idUKKBN0MU06A20150403>

Australia's RBA skips on rate cut, focus shifts to May

<http://www.thestar.com.my/Business/Business-News/2015/04/07/Australia-RBA-skips-on-rate-cut/?style=biz>

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DISCLOSURE OF INTERESTS

- *With regard to the companies mentioned, MSWG holds a minimum number of shares in all these companies covered in this newsletter save for Mulpha Land Berhad.*
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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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