



MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia * Company No. 524898-M

The Observer

21 August 2015

MSWG'S QUICK TAKE ON ONGOING CORPORATE TRANSACTIONS

PERDANA PETROLEUM BERHAD ("PPB") / DAYANG ENTERPRISE HOLDINGS BERHAD ("DEHB")

According to the announcement released by PPB, the total number of PPB shares held by DEHB was 710,783,665 shares, representing 94.96% of PPB shares, and the public shareholding spread of PPB was 5.2%. DEHB has stated in the Offer Document that it intends to maintain the listing status of PPB and will explore various options or proposals to restore the public shareholding spread of PPB or procure PPB to explore all possible options to restore the public shareholding spread of PPB within 3 months from the Closing Date or such extended timeframe as allowed by the relevant authorities to maintain the listing status of PPB on Bursa Securities.

Since the public shareholding spread of PPB is less than 10% of the Voting Shares of PPB, in accordance with Paragraph 16.02(2) of the Main Market Listing Requirements of Bursa Malaysia ("MMLR"), Bursa Malaysia will suspend the trading of PPB shares with effect from, 30 September 2015. The suspension will only be uplifted by Bursa Malaysia upon PPB's full compliance with the public shareholding spread requirements under paragraph 8.02(1) of the MMLR or as may be determined by Bursa Malaysia.

[Source: PPB's announcement on Bursa Malaysia's website on 13 August 2015 and 14 August 2015]

MSWG'S COMMENTS:

We noted that Bursa Malaysia will suspend the trading OF PPB shares on 30 September 2015. The subsequent hurdle rate for the Offerors to compulsorily acquire the remaining shares would be approximately 93.85% of the total PPB shares.

We also noted that the Offeror intends to maintain the listing status of PPB, hence the Board of PPB must commit to comply with the public shareholding spread requirement and should seek further extension of time from Bursa Malaysia if necessary.

MULTI SPORTS HOLDINGS LTD ("MSHL")

MSHL had on 20 August 2015 held 2 special general meetings ("SGMs") for the proposed variation to the utilisation of proceeds raised from the sponsorship of the Taiwan Depository Receipt Programme

(“TDRP”) (“Proposed Variation”), proposed par value reduction (“Proposed Par Value Reduction”) and proposed establishment of employee share option scheme (“Proposed ESOS”).

The Proposed Variation was approved by the shareholders voted by a show of hands, whereby the Proposed Par Value Reduction and Proposed ESOS was approved by the shareholders voted by way of poll.

Result on voting by poll is shown below:

| Resolution(s) | Vote For | | Vote Against | | Total Votes | |
|------------------------------|-------------|--------|--------------|-------|-------------|--------|
| | No of Units | % | No of Units | % | No of Units | % |
| Special Resolution 1 | 140,242,525 | 99.487 | 722,450 | 0.513 | 140,964,975 | 100.00 |
| Ordinary Resolution 1 | 140,242,525 | 99.487 | 722,450 | 0.513 | 140,964,975 | 100.00 |
| Ordinary Resolution 2 | 44,118,400 | 98.389 | 722,450 | 1.611 | 44,840,850 | 100.00 |
| Ordinary Resolution 3 | 44,118,400 | 98.389 | 722,450 | 1.611 | 44,840,850 | 100.00 |

[Source: MSHL’s announcement on Bursa Malaysia’s website on 21 August 2015]

MSWG’S COMMENTS:

The venue of the SGMs had been changed (at the same resort but different meeting room) at the eleventh hour without immediate notification to shareholders of MSHL. MSWG’s representative felt that it was not right to have done so without providing prior information. The Board agreed to delay the meeting for 20 minutes and also apologised to shareholders for alteration of the venue, as they were informed that the alteration was made by the management of Putrajaya Marriott & Spa without prior notification to the company. Nevertheless, MSWG felt it was imperative that the change of venue should have been posted at the original venue.

During the meeting, the shareholders raised many queries pertaining to resolutions on the Proposed Par Value Reduction and Proposed ESOS, and eventually the resolutions were not carried by a show of hands. The acting Chairman called for a poll vote for all the resolutions before the announcement of the result which were eventually approved as stated above.

MSWG had voted against the Proposed Par Value Reduction, as the company should not be granted the flexibility to raise more funds given the fact that it could not utilise fully its previous proceeds raised from TDRP. MSWG also voted against the Proposed ESOS, as the exercise allows employees to subscribe up to 15% of the company’s new shares at a 10% discount to the 5-day weighted average market price and this would greatly dilute the interest of existing shareholders. The market price of MSHL was RM0.08 as at 20 August 2015, which was 0.08 times to the book value of the Group (the Group’s net asset value per share was RMB1.73 or approximately RM0.98).

MSWG'S WATCHLIST

IJM CORPORATION BERHAD ("IJM") / GENTING BERHAD ("GENTING")

Norges Bank has decided to exclude four international companies, including two Malaysian companies, i.e. IJM and Genting from the investment universe of the Government Pension Fund Global. The companies are excluded based on an assessment of the risk of severe environmental damage.

The Executive Board's decision on the exclusion was made on the basis of the recommendations of the Council on Ethics. The Executive Board has not conducted an independent assessment of all aspects of the recommendations, but is satisfied that the exclusion criteria has been fulfilled (see § 3, subsection c, of the Guidelines for observation and exclusion from the Government Pension Fund Global).

[Source: Norges Bank's media release on Norge Bank's website on 17 August 2015]

LOCAL NEWS AND DEVELOPMENTS

FGVH aims to seal deal for Eagle High stake buy by end-October

<http://www.theedgemarkets.com/my/article/fgvh-aims-seal-deal-eagle-high-stake-buy-end-october?type=Markets>

Voting in a vacuum

<http://www.thestar.com.my/Business/Business-News/2015/08/15/Voting-in-a-vacuum/?style=biz>

Adex outlook seen conservative

<http://www.thestar.com.my/Business/Business-News/2015/08/15/Adex-outlook-seen-conservative/?style=biz>

More ringgit volatility seen after Bank Negara assures no capital control

<http://www.theedgemarkets.com/my/article/more-ringgit-volatility-seen-after-bank-negara-assures-no-capital-control?type=Markets>

Petronas says to draw on reserves to meet dividend commitments

<http://www.themalaymailonline.com/money/article/petronas-says-cant-meet-dividend-commitments>

5 years to resolve ponding issues at klia2, airport operator tells AirAsia

<http://www.theedgemarkets.com/my/article/5-years-resolve-ponding-issues-klia2-airport-operator-tells-airasia?type=Markets>

Mah Sing cancels Seremban land acquisition, wants RM35m deposit returned

<http://www.themalaymailonline.com/money/article/mah-sing-cancels-seremban-land-acquisition-wants-rm35m-deposit-returned>

GLOBAL NEWS AND DEVELOPMENTS

Indonesia to cut corporate income tax rate from 2017: finance minister

<http://www.businesstimes.com.sg/government-economy/indonesia-to-cut-corporate-income-tax-rate-from-2017-finance-minister>

US crude prices slide to a six-year low
<http://www.wsj.com/articles/oil-prices-slide-to-6-year-low-1439524809>

Eurozone approves €86bn Greek bailout
<http://www.ft.com/intl/cms/s/0/b01103d4-42bf-11e5-9abe-5b335da3a90e.html>

Japan economy shrinks in second-quarter in setback for 'Abenomics'
<http://www.reuters.com/article/2015/08/17/us-japan-economy-gdp-idUSKCN0QL0VK20150817>

German second quarter growth solid but unspectacular as investment drags
<http://www.reuters.com/article/2015/08/14/us-germany-economy-idUSKCN0QJ0FV20150814>

Why Hong Kong Needs A Whistleblowing Policy
<http://www.forbes.com/sites/jnylander/2015/08/14/why-hong-kong-needs-a-whistleblowing-policy/>

Best Practice - Summer 2015 Issue
http://www.csrwire.com/press_releases/38180-Best-Practice-Summer-2015-Issue

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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.*

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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