

Case studies on selected corporate exercises and what investors can learn from

INTRODUCTION AND OBJECTIVE

This presentation was presented on Day 3 on “1st April 2016 - Special Investors Workshop” organized by MSWG. I wish to thank my participants and MSWG for allowing me to share and exchange knowledge on that day.

I had presented three case studies in relation to some selected past corporate exercises:-

- (i) Padiberas Nasional Berhad (“**Bernas**”), a completed privatization of a previously listed company on the Bursa Malaysia stock exchange.
- (ii) A voluntary general offer by the offerors, Petronas Bhd to acquire the remaining shares not owned in MISC Berhad (“MISC”). In this case, I hope to illustrate on some concepts of valuation and as the privatisation case was not effected, we have to the benefit to see the share price performance today.
- (iii) The above two cases are to **provide some background knowledge** which is used to illustrate some key messages that I use some of the points to go more in-depth on the third case. The third case is a potential company that may trigger the Code of Takeovers and Mergers, Shell Refining Company (Federation of Malaya) Berhad (“**SRC**”). **I shall attempt to illustrate by the use of publicly available information such as Bloomberg and annual reports on what could be gathered about SRC.** I had spent some time to illustrate on SRC with the hope to share from analytical points on how we could gather a meaningful analysis from the study of the disclosures on annual reports. Also, as an educational point, I wish to share on how we could track the performance of the company by monitoring a few key parameters such as:-
 - (a) **Gross refining margin** – a performance indicator
 - (b) Stockholding gain/loss – an external factorLastly, I hope to share on how we could detect “**signals**” from the analysis and identify what are the appropriate indicators to be used in analysis in other companies, as such indicators may be specific to a particular industry. **I have also introduced the concept of the use of statistics / probability, in conducting financial analysis and this is summarised in slide 42.**

Attached are the presentation slides for your perusal.

THANKS FOR READING.

This article is prepared by Ong Tee Chin, CFA, FRM, and represents the view of the author. He can be contacted at ong@atlantiscapital.org for any further enquiries on the contents of this article. The author wishes to declare that the author does not have any share ownership in any of the companies discussed prior to this and until current date.

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