

## MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
(Incorporated in Malaysia - Company No: 524989 -M)

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# IOI Prop minority shareholders hold out for better offer



Rita Benoy Bushon

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RETAIL minority shareholders of IOI Properties Bhd are holding out for a better offer price in the proposed privatisation of the company.

Following a dialogue organised by the Minority Shareholder Watchdog Group (MSWG) on Friday, the retail minority shareholders had expressed the following concerns, according to a statement from the MSWG to *StarBiz*:

One, they expect a better offer price. Retail minority shareholders prefer to hold out and not accept the voluntary takeover offer (VTO) unless they are given a better offer price.

And second, they believe the offer

should come in one preferred option, to be fully satisfied in cash.

These investors had originally wanted to invest in the property sector. The swapping of IOI Prop shares for IOI Corp shares would inevitably expose them to the plantation industry which is now facing a downturn.

IOI Corp had offered to buy the remaining shares it does not own in IOI Prop for RM519mil, through an offer of 33 sen in cash and 0.6 IOI Corp shares at an issue price of RM3.78 each for the remaining stock.

The proposal by IOI Corp to take its property arm private values IOI Prop at RM2.598 a share. IOI Prop closed last Friday at RM2.43.

However, the investors view the offer was below IOI Prop's revised net tangible value.

Moreover, MSWG said: "Retail minority shareholders are now disappointed, given the fact that the board and management of IOI Corp had expressed in early 2007 that they would not take IOI Prop private."

IOI Corp executive chairman Tan Sri Lee Shin Cheng had said in October 2006 that there was no plan at the time to take IOI Prop private. However, he added that nothing was static and if there was a need to change the company would do so.

Retail minority shareholders also raised the concern that the acceptance level of the VTO is not disclosed

by the board and management of IOI Prop on a daily basis.

"The last disclosure of the public spread of IOI Prop of 23.06% was made on Feb 23 after the notice for the VTO was made on Feb 4.

"In the spirit of transparency, retail minority shareholders have proposed that the acceptance level of VTO be disclosed daily to keep the market fully informed on the progress of the offer," said MSWG chief executive officer Rita Benoy Bushon.

She said MSWG would call the management of IOI Prop today to find out the acceptance level of the offer so as to keep minority shareholders fully informed on the latest status of the offer.