

MINORITY SHAREHOLDER WATCHDOG GROUP

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

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IOI extends takeover deadline

Offer for remaining IOI Prop shares pushed to March 31

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PETALING JAYA: IOI Corp Bhd has extended the deadline of its takeover offer for the remaining shares it does not own in IOI Properties Bhd (IOI Prop) by 14 days to March 31, as the acceptance level of 89.68% is not enough to trigger a compulsory acquisition of the latter.

Under the regulations, shares from minority shareholders can be compulsorily acquired by IOI Corp if the company manages to obtain more than 97% of equity in IOI Prop, according to Minority Shareholder Watchdog Group (MSWG) chief executive officer Rita Benoy Bushon.

"The company needs 97% to trigger a compulsory acquisition which would subsequently lead to a de-listing.

"Should it fail to get this by March 31, it has two choices. It can either write to Bursa Malaysia to seek a delisting or it can go through an

EGM," Bushon told *StarBiz*.

"At the EGM, if 10% dissent, its proposals will not go through," she said.

"IOI Corp has already acquired 76% of the shares in IOI Prop. For the compulsory acquisition to take place, it requires 90% of the outstanding offer shares of about 24%, which works out to be about 21%," she explained.

Therefore, according to Bushon, this 21% of shares required added to the 76% already obtained in IOI Prop totals 97%. "This means that IOI Corp (which has an acceptance level of 89.68%) needs about 6% more to compulsorily acquire IOI Prop."

She said under normal circumstances, a reasonable price to minority shareholders should be at net tangible asset per share. "Given current economic conditions, the discount to IOI Prop's current net tangible asset per share which is about RM3.90 now, should not be too steep," Bushon said.

"Boustead Properties Bhd was accorded a premium to its net asset per share when it was taken private last year," she noted.

In a filing to the stock exchange, IOI Corp said it did not intend to extend the closing date of the offer beyond March 31 and in addition, had no intention to raise the offer price.

IOI Corp had on Feb 4 proposed to privatise IOI Prop, its property arm, at a consideration of RM2.598 per share. The plantation giant made a voluntary takeover offer for the remaining 24% stake it did not own in IOI Prop, payable through a combination of shares in IOI Corp and cash.

Under the buyout scheme, IOI Corp offered IOI Prop minority shareholders to voluntarily swap one IOI Prop share for 0.6 share in IOI Corp plus 33 sen cash.

Shares in IOI Prop closed eight sen higher at RM2.50 while IOI Corp closed six sen up at RM3.80 yesterday.



Puchong Financial Corporate Centre in Bandar Puteri Puchong. It is one of the latest projects developed by IOI Properties