

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Company No. 524989-M)

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Petronas revises offer price

It's now willing to pay RM5.50 per share for its bid to take MISC private

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KUALA LUMPUR: As speculated, Petrolia Nasional Bhd (Petronas) has revised its offer price by 20 sen to RM5.50 per share and extended the offer acceptance date to April 19 in its bid to take shipping giant MISC Bhd private.

The revised offer reflects a new premium of 22.5% from the 18% before the revision on the last closing price prior to the takeover notice on Jan 30. The previous offer price was RM5.30.

"Holders of the offer shares who have accepted the offer at the original offer price would be entitled to the revised consideration price of RM5.50 per share," said CIMB Investment Bank Bhd on behalf of

the offeror.

Yesterday was the last day of acceptance for its previous offer, which had been extended from March 19 in view of the low acceptance of only 0.74% as of March 15.

Nevertheless, CIMB Investment said the level of acceptance had increased 7.58% as of yesterday, bringing the total stake of Petronas in the company to 70.25%. Petronas needs to breach the 90% level to make the offer unconditional.

At present, the two other substantial shareholders of MISC are the Employees Provident Fund (EPF) with about 9% and Skim Amanah Saham Bumiputra with 6.35%.

An industry analyst contacted by *StarBizWeek* said he was on the fence whether the revised offer price would be sufficient to entice

the other shareholders to cash out.

"This is because the revised offer price is still below the independent adviser's valuation price. Looking at the oil price and demand, MISC's weak petroleum tanker segment is expected to turn around based on increasing global energy demand.

"MISC's other business in liquefied natural gas transportation, heavy engineering and offshore business are doing quite well too," he said.

The previous offer price of RM5.30 reflected a discount to MISC's sum-of-parts valuation (SOPV), according to independent adviser AmlInvestment Bank Bhd, whose valuation ranged from RM5.69 per share to as much as RM6.10 per share.

The independent adviser has

been reported as saying that the previous offer was unfair, as it was priced at a significant discount to MISC's SOPV, but considered it reasonable anyway due to a weak shipping outlook that may persist and the absence of a competing bid. It had, hence, recommended minorities to accept the offer.

EPF's outgoing chief executive Tan Sri Azlan Zainol had spoken out, asking for a higher price than the RM5.30 per share which had been offered, which was at 1.1 times MISC's book value.

The Minority Shareholder Watchdog Group has also come out to say that the RM5.30 offer price by Petronas was "not compelling enough".

MISC closed four sen lower to RM5.46 yesterday.