

**MINORITY SHAREHOLDERS WATCH GROUP**  
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
(Incorporated in Malaysia – Company No. 200001022382 (524989-M))

The Star, Starbizweek- Wednesday, 13 May 2020 (C)

## TA's bid to withdraw takeover offer for TA Global may hurt minorities

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**PETALING JAYA:** TA Enterprise Bhd's (TAE) application to withdraw its voluntary takeover offer for TA Global Bhd (TAG) shares, if allowed, is unfair to minority shareholders and could lead to more withdrawals of corporate proposals that's been announced.

Minority Shareholders Watch Group chief executive officer Devanesan Evanson said there must be a certain element of certainty in the market when it comes to corporate actions. "Minority shareholders may have invested in TAG shares based on the announced corporate action and the share prices would also have moved to accommodate the announcement.

"TAE's application to withdraw its voluntary takeover offer for TAG shares will hurt the minority shareholders who had made their investment decision based on the terms of the offer," he told *StarBiz*.

He said to allow TAE's withdrawal would mean that other announced corporate actions are also at risk of being withdrawn. Such uncertainties are not in the minority shareholders' interest. Already TAG's share price has moved down to reflect the uncertainty over whether the offers would be withdrawn, he said via e-mail.

Last Wednesday, TAE sought the Securities Commission's (SC) nod to withdraw its takeover offer to acquire up to 39.83% stake in TAG at 28 sen a piece. TAE said it took into consideration, among others, the adverse impact of

Covid-19 pandemic to TAG in the financial year ending Dec 31, 2020 (FY20). This comes after temporary suspension of operations of several hotels under the property group.

TAE's plan to acquire up to 2.12 billion shares in TAG, announced on Feb 12, amounted to RM593.43mil.

To part-fund the deal, TAE proposed the issuance of up to 550.54 million new TAE shares at 66.5 sen apiece, to be subscribed by controlling shareholder Datuk Tony Tiah Thee Kian, in order to fund the acquisition.

Devanesan said while one can empathise with the unprecedented global pandemic, "such bad times may not be enough justification for public-listed companies to abort their announced corporate actions on a blanket basis with the regulators having the unenvi-

able task of balancing the competing interests of the offerors and the minority shareholders."

Meanwhile, a minority shareholder representing a group of minorities of both companies are calling on the SC to reject TAE's request to withdraw the takeover bid of its property arm.

The representative said when the offer was first made in Feb, it was decried as being unfair to minorities because it severely undervalued TAG. It was also seen by minority shareholders as "another attempt to privatise TAE by issuance of shares cheaply to Tiah after he failed in 2018," the representative said in an e-mail to *StarBiz*.

Minorities also contend that little attempt has been made to rectify TAG's public shareholding spread in the past.