

The logo for MSWG (Minority Shareholder Watchdog Group) features the letters 'MSWG' in white on a dark blue background.

MINORITY SHAREHOLDER WATCHDOG GROUP

Badan Pengawas Pemegang Saham Minoriti Berhad

Incorporated in Malaysia \* Company No. 524898-M

# The Observer

2<sup>nd</sup> January 2013

## MESSAGE FROM THE CEO



Minority shareholders of IOI Corp Bhd have every right to feel disgruntled by the short space of time given to subscribe for their entitlement for shares of its soon-to-be-listed IOI Properties Bhd.

Although the Company has announced the book closing date of the ROS on 19 December 2013 which is at least 11 market days before the date of application according to the Main Market Listing Requirement, it nevertheless had only issued the prospectus on 26 Dec 2013, which is a mere five working days before 2 January 2014, if the public holidays and weekends are excluded.

IOI should have realised that by conducting this exercise over the vacation period, many people may be on leave, postal deliveries could also be delayed in this period, which also meant that many may not have received the necessary documents by post on time. (Thus the complaints are valid.)

The company should really have given minorities more time to subscribe for their entitlements.

We view this as especially serious since it has been the subject of criticism following its delisting in 2009 (being bought out at just 0.66 times NTA for a RM1.3 billion valuation).

We hope IOI Corp will further extend the closing period for the application (noting that they have already done so today by 4 days) and show their good faith to the current minority shareholders, who are expected to be keen to take advantage of the offer. The reason being, that each IOI Properties share at RM1.76 under the ROS comes at a 30% discount to the reference price of RM2.51. In addition, an even steeper 42.7% to IOI Properties' pro forma net asset per share of RM3.07. Otherwise, it could be construed negatively by the public that the offer not taken by entitled shareholders (for reasons beyond them) would be given to other shareholders at the discretion of the Board, at a discount.

Regards,

Rita

---

# MSWG Analysts

Lya Rahman, General Manager, Corporate Services, [lyarahman@mswg.org.my](mailto:lyarahman@mswg.org.my)  
Chong Chee Fern, General Manager, Corporate Monitoring [chongcf@mswg.org.my](mailto:chongcf@mswg.org.my)  
Rebecca Yap, Head, Corporate Monitoring [rebecca.yap@mswg.org.my](mailto:rebecca.yap@mswg.org.my)  
Quah Ban Aik, Head, Corporate Monitoring [banaik.quah@mswg.org.my](mailto:banaik.quah@mswg.org.my)  
Ng Hoon Ho, Senior Manager, Corporate Monitoring [nghh@mswg.org.my](mailto:nghh@mswg.org.my)  
Norhisam Sidek, Manager, Corporate Monitoring [norhisam@mswg.org.my](mailto:norhisam@mswg.org.my)  
Shahnul Niza Mohd Yusof, Manager, Research [shahnul.niza@mswg.org.my](mailto:shahnul.niza@mswg.org.my)  
Lee Chee Meng, Manager, Corporate Monitoring [cheemeng@mswg.org.my](mailto:cheemeng@mswg.org.my)  
Wong Kin Wing, Senior Analyst, Corporate Monitoring, [kinwing@mswg.org.my](mailto:kinwing@mswg.org.my)  
Nor Khalidah Khalil, Analyst, Corporate Monitoring [khalidah@mswg.org.my](mailto:khalidah@mswg.org.my)  
Vinodth Ramasamy, Analyst, Corporate Monitoring [vinodth.ram@mswg.org.my](mailto:vinodth.ram@mswg.org.my)

---

## **DISCLOSURE OF INTERESTS**

- *With regard to the companies mentioned, MSWG holds a minimum number of shares in all these companies covered in this newsletter.*
- 

## Feedback

We welcome your feedback on our newsletter and our work. Email us at [mswg.ceo@mswg.org.my](mailto:mswg.ceo@mswg.org.my) with your comments and suggestions.

---

## **DISCLAIMER**

*This newsletter and the contents thereof and all rights relating thereto including all copyright is owned by the Badan Pengawas Pemegang Saham Minoriti Berhad, also known as the Minority Shareholder Watchdog Group (MSWG).*

*The contents and the opinions expressed in this newsletter are based on information in the public domain and are intended to provide the user with general information and for reference only. Best efforts have been made to ensure that the information contained in this newsletter is accurate and current as at the date of publication. However, MSWG makes no express or implied warranty as to the accuracy or completeness of any such information and opinions contained in this newsletter. No information in this newsletter is intended to be or should be construed as a recommendation to buy or sell or an invitation to subscribe for any, of the subject securities, related investments or other financial instruments thereof.*

*MSWG must be acknowledged for any part of this newsletter which is reproduced.*

*MSWG bears no responsibility or liability for any reliance on any information or comments appearing herein or for reproduction of the same by third parties. All readers or investors are advised to obtain legal or other professional advice before taking any action based on this newsletter.*

**ENDS./**