

# IGB shareholders say yes to takeover by Goldis

BY SANGEETHA AMARTHALINGAM

KUALA LUMPUR: IGB Corp Bhd shareholders yesterday approved the proposed takeover of the group by Goldis Bhd, despite some dissatisfaction over the RM3 share valuation.

At a high court-convened meeting held at IGB's Mid Valley City property, 286 shareholders holding 176.56 million shares voted in favour of Goldis' bid, while 148 shareholders owning 1.17 million shares voted against it. The total value of the votes cast for the bid was 99.34% of all shares held by the shareholders.

During the meeting, shareholders asked many questions on the offer price which they claimed did not consider the intangible value of IGB.

"There were [also] concerns over the history of IGB, particularly its goodwill," Goldis chief investment officer Colin Ng told reporters after the meeting.

Assuring the shareholders, Ng said IGB managing director Datuk Seri Robert Tan and other board members would stay on upon the takeover.

"He (Tan) formed both IGB and Goldis, and Goldis used to be Tan & Tan Developments Bhd, before it took over the listing. So history is there," he said.

Ng said the group would form an integration committee to oversee the takeover, and expects business to run as normal.

He said the scheme was proposed to flatten the structure and consolidate both IGB and Goldis into a much bigger group, particularly as both the groups' shares are "steeply undervalued".

When the scheme is completed in February next year, IGB would be delisted, while Goldis would assume the IGB Bhd name, though it would read as 'Ipoh Goldis Ber-satu'.

Goldis — the single largest shareholder of IGB with a 73.73% stake — had proposed on Feb 23 to acquire the rest of the shares it does not already own at RM3 per share. Its first takeover bid was made in 2014.

Shareholders can choose to be compensated in three ways — 100% in cash; 30% in cash (90 sen per share) and 70% in Goldis shares; or 12% in cash (36 sen) and 78% in seven-year new redeema-



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ble convertible cumulative preference shares (RCCPS) in Goldis at RM3.28 each.

The RCCPS has a one-for-one conversion rate and pays a preferential dividend of 4.3% per annum.

IGB shares closed up three sen or 1.05% at RM2.88 yesterday, with a market capitalisation of RM3.93 billion, while Goldis shares settled unchanged at RM2.94, valuing it at RM1.8 billion.

Separately, IGB Corp yesterday reported a 58% drop in net profit to RM62.62 million for the third quarter ended Sept 30, 2017, from RM146.11 million a year earlier when the group benefited from a one-off gain of RM136.2 million from the sale of a hotel in Myanmar.

Revenue dropped 20.02% to RM259.71 million from RM324.71 million, no thanks to lower contributions from its property development and hotel arms.

Cumulative net profit for the first three quarters was almost flat at RM254.17 million, compared with RM254 million a year ago. Pre-tax profit was down 15% year-on-year (y-o-y), said the group.

Cumulative revenue fell 12% y-o-y to RM761.08 million from RM867.43 million, dragged by lower contributions from three core divisions, namely property development, hotel and investments, mitigated by a higher top line from both commercial and retail segments under its property investment division.

"Based on the results achieved for the nine months to Sept 30, 2017, the board is cautiously optimistic that the performance for the group for FY17 (financial year 2017) will be satisfactory," it said.