

MINORITY SHAREHOLDER WATCHDOG GROUP

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

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Kulim board to discuss MCCM's counterbid

By **DANIEL KHOO**
danielkhoo@thestar.com.my

KUALA LUMPUR: The directors of Kulim (M) Bhd will meet before the Chinese New Year holidays to discuss a counterbid from the Malay Chamber of Commerce Malaysia (MCCM) to buy Kulim's 54% stake in QSR Brands Bhd. Sources say it is likely that the board will reject MCCM's offer.

"The view has always been that Johor Corp (JCorp, which owns 55.9% of Kulim) is not keen on disposing of any of its prized assets, especially QSR and KFC. So it should come as no surprise if there is a rejection," said a source close to the matter.

On Dec 14, in partnership with private equity firm CVC Capital Partners, JCorp made an offer to QSR and KFC Holdings (M) Bhd to acquire their businesses and undertakings. KFC is a 51% subsidiary of QSR. The JCorp-CVC offer works out to a price of RM6.80 per Kulim share, 10 sen below what MCCM is offering.

Minority Shareholders Watchdog Group CEO Rita Benoy Bushon told *StarBiz* that in light of the chamber's counter-offer for QSR, the Kulim board would have to discuss, evaluate and decide what was in the best interest of the company, its shareholders and for the brand moving forward.

"Yes, the minority shareholders do matter. The higher offer will be a reflection of a higher value of the

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business by another suitor. But the board will also have to decide in the best interests of the company as well," she said.

"The board should be fair and objective in their assessments of the deal to eventually accept the best offer on the table after considering the interests of all parties and stakeholders, including the minority shareholders."

Industry observers say the matter is made slightly more complicated given that a higher offer had offi-

cially been made.

To recap, Kulim announced on Tuesday that it had received a letter from the chamber offering to buy the 54% shareholding in QSR at RM6.90 per share.

The letter was signed by the deputy president of the chamber, who is also chairman of Kumpulan Syarikat Pelaburan DPMM, the investment arm of MCCM.

On Dec 29, MCCM president Syed Ali Alattas said the chamber would make a counter-offer for the KFC fast food business. He also said he would provide more details on how the

deal would be financed before the Chinese New Year holidays.

Kulim said the chamber's offer was unsolicited, but it would still consider the offer despite already agreeing to accept the JCorp-CVC offer, made through Massive Equity Sdn Bhd.

In an announcement to Bursa Malaysia, Kulim had qualified this by stating that the acceptance was pending further negotiations and mutual agreement on terms and conditions to be incorporated into the definitive sales and purchase agreement.