

## MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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

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### MSWG unhappy about structure of Astro's upcoming listing

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**PETALING JAYA:** The Minority Shareholder Watchdog Group (MSWG) is unhappy about a number of issues related to how the upcoming listing of Astro Malaysia Holdings Bhd is structured.

"Our grouses still remain with regards to the listing and delisting exercises currently being done by many Malaysian conglomerates," chief executive officer Rita Benoy Bushon said in the Aug 30 edition of MSWG's newsletter.

She said Astro, if it was floated at RM3.60 per share, would be valued at RM18.7bil, far exceeding the RM8.3bil price at which it was privatised in 2010.

"Here, Astro is listing without its foreign operations in India and Indonesia. We understand that Sun Direct TV business in India has about seven million subscribers as at last year despite only starting in 2008.

#### Will the regulator step in to manage the way companies are listed and delisted in Malaysia?

— RITA BENOY BUSHON

"What's more, around two-thirds of the initial public offering (IPO) comprises offer-for-sale shares, which means the proceeds will go to the major owner, not the company," she added.

The pay-TV operator, which has a subscriber base of some three million users and a market penetration of 50% of Malaysian households, is offering up to 1.52 billion shares, or 29.2% of its enlarged share capital at its IPO expected next month.

Based on the indicative price of RM3.60 per share for bumiputra investors as reported by *Reuters*, the listing could raise up to RM5.47bil,

making it the third largest in the country this year behind Felda Global Ventures Holdings Bhd and IHH Healthcare Bhd's RM9.93bil and RM6.3bil IPOs respectively.

Only 474.3 million, or 31.2%, of the shares to be sold are new, giving Astro's existing shareholders the bulk of the gross proceeds at 70%.

The offer-for-sale shares are to be sold by Astro founder Ananda Krishnan and Khazanah Nasional Bhd, although they will still command a 70.8% interest in the company post-IPO.

Ananda, Malaysia's second-richest man, will retain a 50% stake in Astro and Khazanah 21%.

Bushon explained that another sticking point about the listing is the portion allocated for retail investors, which was just the minimum 2%.

"We hope the advisers and the company would consider allowing the clawback provisions from other portions, including cornerstone investors, if there is an oversubscription of the retail portion, say by

more than five times.

"And will the regulator step in to manage the way companies are listed and delisted in Malaysia?" she asked.

A total of 1.26 billion shares, or 24.2%, of Astro would be offered to local and foreign institutional investors, including bumiputra investors, and just 260 million, or 5%, to retail investors.

Of this, some 103.95 million shares, or 2% of the firm's enlarged share base, has been allocated for the general public, with half of that for retail bumiputra investors.

The remaining retail shares would be offered to Astro employees, customers, directors and contractors.

Astro had said in its prospectus exposure that 58% of the IPO proceeds would be used for capital expenditure and 29.3% to repay bank borrowings. The balance would be kept for working capital purposes and to defray listing expenses.