

MINORITY SHAREHOLDER WATCHDOG GROUP

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

The Sun, Sunbiz – Friday February 27, 2020 (A)

TA Global minorities cry foul over privatisation proposal

➤ One investor says offer of 28 sen per share for property firm a 'slap in the face,' doesn't reflect the value

■ BY **AMIR IMRAN HUSIAN SAFRI**
sunbiz@thesundaily.com

KUALA LUMPUR: Minority shareholders of TA Global Bhd have expressed their dissatisfaction over the conditional general offer to delist the property firm at 28 sen per share.

Over 20 investors and remisers were present at the TA Global's "Privatisation: Implication to Minority Shareholders" forum organised by the Minority Shareholders Watch Group (MSWG) yesterday.

One investor opined that the 28 sen offer price is a slap in the face of minority investors as it does not reflect the value of the shares.

According to MSWG's calculation, it represents a 74.5% or 82 sen discount on the counter's revised net asset value of RM1.10 per share.

Apart from the cash offer, TA Global shareholders can opt for the share swap option based on an exchange ratio of 0.4211 new TA Enterprise shares to be issued at an issue price of 66.5 sen each for every offer share surrendered.

"If they take share swap, indirectly they get to enjoy both TA Global's growth through TA Enterprise given that TA Enterprise will have both stockholding and property businesses," MSWG CEO Devanesan Evanson said at the forum.

On Feb 12, TA Enterprise co-founder and chairman Datuk Tiah Thee Kian proposed to privatise TA Global by acquiring the remaining 39.83% stake he does not own in TA Global.

MSWG also cautioned that the proposal could trigger a mandatory general offer in TA Enterprise, if 16% of TA Global shareholders opt for cash settlement. This is because Tiah had said that he will inject

funds into TA Enterprise to finance the privatisation of TA Global.

Devanesan explained that the forum was a response to a large number of queries that it had received from investors on the corporate proposal.

The shareholder activist group acknowledged that decision is very personal for each investor, as it depends on their entry level, investment objective and risk profile.

"With regard to the offer, we hope that the investors would take the outlook and prospects of the industry and the group as well as the consolidation effect, which would merge two listed companies into one and translate into savings in compliance cost and directors' fees, to name a few," he noted.

Devanesan suggested that the minority shareholders of both companies should examine the independent advisory circular when it is available later.

"We think the independent adviser's report will contain more information as it is prepared by licenced professionals, and able to give more guidance to minority shareholders."