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## THE EDGE MEDIA GROUP



### No distribution of IGB shares

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Written by Isabelle Francis of theedgemaalaysia.com

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KUALA LUMPUR: In an unexpected turn of events, the board of GOLDIS BHD [] decided not to table a controversial proposal to transfer its 30.95% stake in IGB Corp Bhd to an unlisted company in return for shares or cash.

In a filing with Bursa Malaysia yesterday, the company said the board had decided not to table the proposal, which was mooted in May, following negative feedback from shareholders.

"The board of Goldis wishes to announce that it has, after due deliberation, decided not to table the proposed distribution for shareholders' approval.

"The board arrived at this decision after taking into consideration the negative feedback from shareholders of Goldis on the proposed distribution," the company said yesterday.

The announcement did not specify the shareholders who were against the deal.

But given that the Tan family largely controls Goldis, the latest development comes fairly unexpected because the proposal was seen as largely benefitting the major shareholders of the company.

Under the proposal, Goldis proposed to transfer its 30.59% stake in IGB to an unlisted company Steady Paramount Sdn Bhd. In return, shareholders of Goldis can opt for shares in Steady Paramount or cash of RM1.72 each.

The rationale for the proposal was to unlock the value of Goldis' 30.59% stake or 429.67 million shares in IGB.

To ensure that the proposal was viable, Goldis proposed in May that it would procure an undertaking from selected shareholders to opt from shares.

Analysts and investors were generally divided. Some felt that the proposal was fair because it allowed the shareholders to cash out at a premium to market price.

But the opposing view was that the proposal was seen as forcing the minorities to accept the cash option because not many would fancy holding shares in an unlisted company.

The proposal was seen as good as a done deal because it needed only a simple majority of the shareholders to approve the proposal.

It is understandable why the board of Goldis had proposed the exercise given that the company's share price has traded way below its net asset value of RM2.31 per share.

Goldis has several assets in its stable such as G-Tower, located in the KLCC area, apart from its 30.59% stake in IGB, which owns the thriving Mid Valley Megamall.

Based on the latest shareholding filing, Permodalan Nasional Bhd (PNB) is no longer a substantial shareholder in Goldis, having reduced its interest to less than 5% from the 12.88% held as at April 20 last year.

The other substantial shareholder of Goldis is HSBC Holdings Plc that has 12.35%. But it is held in trust so the actual owner or owners of this block of shares are not known.

In a separate announcement, the company also announced a distribution of treasury shares to its shareholders. The distribution is on the basis of three shares for every 100 Goldis shares held.

