

GBH board suggests rejection of Tan's offer

It says company's assets represent RM2 per share, or 60% higher than the offer

By FINTAN NG
fintan@thestar.com.my

PETALING JAYA: The board of Goh Ban Huat Bhd (GBH) has recommended shareholders reject the RM1.25 per share offer made by its largest shareholder Tan Sri Robert Tan Hua Choon.

Tan, who made the offer on June 25, triggered a mandatory general offer on July 2 after his stake was raised to 33.11%.

In a circular to shareholders yesterday, the company said based on the quarter ended March 31 results, about 60% of its total assets of RM207.2mil comprised of land as well as cash and bank balances.

"Accordingly, the value of the land is backed by quality tangible assets," it said, adding that the company would be able to realise a total cash pile of RM123.7mil in the event buyers were procured for the properties at the market value of RM143.3mil.

It said this would include RM16mil in deferred payment from the land disposal but after

»It is more beneficial financially for shareholders wishing to immediately realise their investments to reject the offer and dispose of their investments in the open market«

AMINVESTMENT BANK BHD

netting off the amount owing to Kenanga Investment Bank Bhd of RM35.6mil.

GBH has offices, factories and warehouses located on 14.86 acres of mostly freehold property located along Jalan Segambut.

The company said this would represent RM2 per share or 60% higher than Tan's offer price and that since it was the intention of the management to realise the value of the prime properties, "the underlying value of GBH shares should

reflect closer to its adjusted net asset of RM2.92 per share".

Moreover, GBH said the management had set in motion a turnaround plan, including reduction of the company's workforce to 300 by this September from 385 last December, saving the company another RM2mil. Space was also being freed up for rental to third parties that could generate RM1.56mil per annum.

In the same circular, independent adviser AmInvestment Bank Bhd

also recommended that it was more beneficial financially for shareholders "who wish to immediately realise their investments to reject the offer and dispose of their investments in the open market".

The investment bank said Tan's offer price, which represented a price-to-book ratio (PBR) of 0.43 times based on the adjusted net asset of RM2.92, was in the mid-range of the trading PBR of domestic comparable listed companies of between 0.21 times and 0.58 times.

It was also slightly higher than the average trading PBR of similar companies of about 0.40 times.

When contacted, GBH group managing director Tony Goh told *StarBizWeek* yesterday that there would be a statement next Monday on the circular in which "several issues will be addressed".

Goh's family, who founded the company, is the third-largest shareholder with a 15.94% stake through family vehicle Ceramtec Sdn Bhd. Lembaga Tabung Angkatan Tentera (LTAT) is the second-largest with an 18.19% stake.

RM740mil extra jobs for Gamuda JV at new Doha airport

PETALING JAYA: Gamuda Bhd said the Sinohydro-Gamuda-WCT Joint Venture has been awarded additional works and settlement worth 760 million Qatari riyals (about RM740mil) for the New Doha International Airport (NDIA) project.

The joint venture is developing the RM2.6bil NDIA.

The NDIA steering committee had, on July 30, agreed to award to the joint venture additional works and settlement in respect of all the outstanding counter-proposals for the variation orders, contractor's claims and scope changes under the airport contract.

Gamuda told Bursa Malaysia with all previous variation orders issued by the NDIA under the contract and this award, the total contract value was now 3.362 billion riyals (about RM3.27bil) from the original contract sum of 1.798 billion riyals (about RM1.75bil).

"The completion date for the (NDIA) project has been extended to January 2011," the company said.

Gamuda noted that the award was expected to contribute positively to the group's earnings and net assets for the financial years 2010 to 2011.

The Sinohydro-Gamuda-WCT Joint Venture is an unincorporated joint venture between Gamuda, Sinohydro Corp and WCT Engineering Bhd, on 60:25:15 basis.

Downturn calls for greater governance

KUALA LUMPUR: With the current global economic downturn, there is a greater importance for good corporate governance, according to Securities Commission (SC) chairman Tan Sri Zarinah Anwar.

"At the heart of the crisis was a terrible failure of 'tone at the top' that drove CEOs and their companies to behave in an ever more irresponsible fashion, driven by rewards that recognised short-term income without taking into account the longer term downsides that could materialise as risky trading positions unwind," she said.

Zarinah, who was speaking at the launch of the second StarBiz-ICR Malaysia Corporate Responsibility Awards yesterday, said Malaysia had made headway in the realm of corporate governance but needed to improve further.

"Although a great deal that is good is being done, the journey we have embarked on is a race without destination. We must keep improving, keep raising our standards and not get complacent.

"We live in a competitive world where every company, every stock exchange and every country has to compete for funds," she said.

Zarinah, who is chief judge for the awards, said investors looking for a good return increasingly incorporate good corporate governance as well as ethical and responsible behaviour by companies in their decision-making criteria.

"Worldwide, socially responsible investment or socially responsible index funds are steadily growing in importance and we in Malaysia cannot afford to ignore what these fund managers look at - the criteria they use to assess whether it is a good idea to invest in a company or not."

She also specified why the awards



From left: ACCA acting country head Jennifer Lopez, ICR Malaysia chairman and PwC executive chairman Datuk Johan Raslan, Tan Sri Zarinah Anwar, Star Publications (M) Bhd group managing director and chief executive officer Datin Linda Ngiam and SIDC chief executive officer John Zinkin at the launch of the second StarBiz-ICR Malaysia Corporate Responsibility Awards

were specifically for CR (corporate responsibility) rather than CSR (corporate social responsibility).

"We need to cover more than social issues. Being responsible is not just about the social or community impact of the business," said Zarinah.

She said CR also concerned issues such as the policies the business had for its continued profitable existence, ethical practices in terms of fair dealing and avoiding corruption and misleading marketing.

Meanwhile, this year's CR awards is aimed at encouraging Malaysian companies to assimilate CR values into their business strat-

egies and goals to raise their business standards for the benefit of all stakeholders.

Jointly organised by Star Publications (M) Bhd and the Institute of Corporate Responsibility Malaysia (ICR Malaysia), the awards are also aimed at highlighting CR as an investment and a business strategy rather than a liability.

Like the inaugural event last year, finalists will comprise only public-listed companies that will compete in four categories - marketplace, workplace, environment and community.

The finalists will also compete based on two market capitalisation

segments - above RM1bil and below RM1bil. "This allows smaller companies a chance to shine as well," said Zarinah.

The working partners of the awards are the Association of Chartered Certified Accountants (ACCA), PricewaterhouseCoopers (PwC) and Securities Industry Development Corp (SIDC), with support from the SC and Bursa Malaysia Bhd.

The finalists would be judged by an independent third-party organisation, with the winners expected to be announced at an awards ceremony in November. For more information, log on to www.thestar.com.

SC seeks best model for private pension fund

KUALA LUMPUR: The Securities Commission (SC) is seeking the most appropriate private pension fund model managed in other countries as a guide to establish one in Malaysia.

Chairman Tan Sri Zarinah Anwar said the SC would study how the regulatory framework had been established and organised.

"It will take some time to look at the models so that we can come up with the most appropriate framework," she told reporters after announcing StarBiz-ICR Malaysia Corporate Responsibility Awards here yesterday.

She said the SC was looking at models in Chile, Britain and Australia.

"What is most important is that this is a voluntary scheme. Nobody is going to be compelled to contribute.

"They will contribute if they want to and because they want to have additional fund for their retirement," she said.

Zarinah said those not contributing to the Employees Provident Fund, for example, the self-employed, might want to save for their retirement. "So if they want, they can do so through the private pension scheme," she said.

On July 23, Minister in the Prime Minister's Department Tan Sri Nor Mohamed Yakcop said the private pension fund would be set up by the middle of next year. - Bernama



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