

Newspaper : **THE EDGE MARKETS**

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Title : **Bina Puri to become bigger property player with IHP acquisition**

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**Bina Puri Holdings Bhd**

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<http://www.theedgemarkets.com/article/bina-puri-become-bigger-property-player-ihp-acquisition>

## **Bina Puri to become bigger property player with IHP acquisition**

Bernama

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KUALA LUMPUR (Nov 30): Bina Puri Holdings Bhd (Bina Puri) said the proposed acquisition of a 54.5% stake in Ideal Heights Properties Sdn Bhd (IHP) is expected to help the group become a bigger property development player.

It said the acquisition would allow the group to leverage on the development of the Kuantan Waterfront Resort City (KWRC) strategically situated near the Kuantan city centre.

IHP, via its subsidiary, Ideal Heights Development Sdn Bhd, is currently involved in developing the first phase of KWRC, which includes mixed, commercial and residential developments.

“The estimated gross development value for Imperium Residence Serviced Apartments is RM247.13 million while the expected completed date is March 31, 2019,” Bina Puri said in a circular to shareholders filed with Bursa Malaysia today.

On Aug 28 this year, Bina Puri announced that its wholly-owned subsidiary, Bina Puri Properties Sdn Bhd (Bina Puri Properties), planned to acquire a controlling stake in Ideal Heights Properties

(IHP) with the proposed acquisition of 2.48 million shares representing a 54.5% stake in IHP for RM42.68 million.

Bina Puri Properties currently holds a 12% stake in IHP, and upon completion of the acquisition, it will hold a 66.5% stake, subsequently making IHP its subsidiary.

Bina Puri has issued a notice today for an extraordinary general meeting to be held on Dec 24, 2018 to obtain shareholders' approval for the acquisition.

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## Bina Puri's plans to raise stake in IHP "fair and reasonable"

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PETALING JAYA: Bina Puri Holdings Bhd's proposed acquisition of an additional 54.5% stake in Ideal Heights Properties Sdn Bhd (IHP) is deemed "fair and reasonable" and not detrimental to the shareholders.

"We recommend the non-interested shareholders to vote in favour of the resolution pertaining to the proposed acquisition to be tabled at the company's forthcoming EGM," said Inter-Pacific Securities Sdn Bhd in its independent advice letter.

Earlier in August, Bina Puri announced plans to make IHP an indirect subsidiary by buying out stakes of six shareholders through the issuance of new Bina Puri and redeemable preference shares (RPS) in a RM42.7 million related party transaction.

Bina Puri already owns a 12% stake in IHP and will acquire an additional 54.5% via the proposed stake acquisition. IHP is the developer of Kuantan Waterfront Resort City (KWRC).

Bina Puri plans to issue 95.1 million new ordinary shares at an issue price of 24.98 sen per share to satisfy RM23.8 million; a sum of RM10.1 million to be satisfied via the issuance of 40.4 million RPS at an issue price of 24.98 sen a piece and RM8.8 million via the issuance of up to 35.3 million RPS at an issue price of 24.98 sen a piece.

According to Inter-Pacific Securities, the issue price of 24.98 sen per consideration share is at a premium above the five-day VWAP up to and including Aug 27, 2018 being the last trading day prior to the announcement of the proposal.

It said that the price-to-book (PB) multiple of Bina Puri based on the issue price of the consideration share of 0.29 times is within the PB multiples range of the selected comparable companies from 0.26 times to 0.38 times.

“We are of the view that the issue price of 24.98 sen per consideration share is fair,” it said.

It said that the terms of the sale and purchase agreement are reasonable and not detrimental to the shareholders. The financial effects of the proposed acquisition are also not detrimental to the shareholders.

“We are of the view that the prospects of the IHP group pursuant to the proposed acquisition are positive after taking into consideration, among others, the outlook of the Malaysian economy, which is expected to grow steadily and the prospects of the property market within the locality of the KWRC project,” it added.