

# FINANCIAL DAILY

EPIC to take on larger fabrication jobs  
**home business**  
**Page 8**

DPM: BN has 2 years to change policy & govt  
**Page 13**



China plans US\$10b fund  
**world business**  
**Page 15**



Roubini squashes hopes of China's recovery  
**world business**  
**Page 16**



- OSK: Small caps are safe havens
- Dialog has enough projects to pull through the crisis
- Equities Market Roundup

click [www.theedgemaalaysia.com](http://www.theedgemaalaysia.com)

KLCI 941.38 ▲ 23.49 KLCI FUTURES 946.00 ▲ 20.50 STI 1828.51 ▲ 44.55 RM/USD 3.6135 CPO RM2299.00 ▲ 30.00 OIL US\$52.19 ▲ 2.81 GOLD US\$877.60 ▼ 7.20



**MORE EFFICIENT AID DELIVERY:** Multimedia Development Corporation CEO Datuk Badlisham Ghazali (in suit) and Dialog Group chairman and MD Ngau Boon Keat (to his left) at the launch of MyKasih programme at the Caltex petrol station in Selayang, Selangor, last Friday (story on page 6). Photo by Chu Juck Seng

## IOI Corp to send notice to PNB, Valuecap this week

by **Racheal Lee**  
FD@bizedge.com

KUALA LUMPUR: IOI Corporation Bhd will persist in buying out the remaining institutional shareholders, Permodalan Nasional Bhd (PNB) and Valuecap Sdn Bhd, in IOI Properties Bhd (IOIP), which was suspended last Tuesday to facilitate its delisting.

"We believe these institutional investors would sooner or later sell their shares to us," IOI group executive chairman Tan Sri Lee Shin Cheng told *The Edge Financial Daily* at an appreciation night for buyers of units at IOI Boulevard Puchong, an integrated lifestyle and retail development project, last week.

CONTINUES ON PAGE 6 >>

## Thai ministry stormed after govt declares emergency

by **Alan Raybould**

BANGKOK: Thai Prime Minister Abhisit Vejjajiva declared a state of emergency yesterday to quell political unrest and threatened to take

# EON Bank disbursements up 50%

## 1Q loans of RM2b lend credence to banks' claim of not withholding credit

## China central bank pledges sufficient liquidity

BEIJING: China's central bank said it will ensure sufficient liquidity to sustain economic growth, damping speculation regulators may seek to restrain credit after new loans jumped sixfold to a record in March.

The People's Bank of China (PBOC) "will implement moderately loose monetary policy and maintain the continuity and stability of policy," the central bank said on its website yesterday. It pledged "ample liquidity" to "ensure money supply and loan growth meet economic development needs."

See related story on Page 17

The statement indicates that reviving growth remains China's priority amid concern that the credit boom will lead to bad debts and asset bubbles. The world's third-largest economy, while showing better-than-expected performance in the first quarter, still faces "great difficulties," Premier Wen Jiabao told reporters in Thailand last Saturday.

"It's likely that the authorities will not change their stimulative policy at least for another month," said Stephen Green, head of China research at Standard Chartered Plc in Shanghai. — *Bloomberg*

## More transparency in food aid via MyKasih programme

KUALA LUMPUR: Charitable food aid to the poor in Malaysia could be streamlined to ensure a more efficient and transparent aid delivery process with the adoption of MyKasih's welfare programme, as it rides on MyKad for identification purposes.

Tapping into technological solutions developed by ePetrol Holdings Sdn Bhd, MyKad would be used as a means to disburse aid, thus doing away with traditional food aid distribution methods that are not always effective and efficient, ePetrol chief executive officer Ngau Boon Keat said last Friday.

ePetrol also designed solutions for fuel subsidy management.

Through the assistance of local non-governmental organisations, MyKasih would identify potential recipient families. Families under the programme would be able to shop and pay for groceries using their MyKads at selected retail outlets.

At the launch of MyKasih last week, Ngau explained that certain amounts of money would be disbursed through the recipients' bank accounts, which are linked to their MyKads, enabling them to act as debit cards.

MyKasih is a privately funded charity aimed at alleviating the fi-



Ngau. Photo by Chu Juck Seng

financial burden of the poor and needy in Malaysia. The charity's board of directors includes *The Edge* managing director and editor-in-chief Ho Kay Tat.

"At any point in the transaction, we can provide audit trails and analytical reports on demographics and consumption. This makes it easy for donors and MyKasih to track shopping patterns and fine-tune the sys-

tem," said Ngau, who is also chairman and group managing director of oil and gas services firm Dialog Group Bhd.

Charity aids, irrespective of the non-governmental organisations (NGOs) involved and types of aid given out, are often bogged down by traceability and transparency issues as donors often fear donations would be misused by certain parties.

Last December, some 25 families took part in MyKasih's pilot programme in Selayang through which RM10,000 was distributed. The pilot programme was funded by Dialog and was launched with the support of Chevron (M) Ltd and Caltex Selayang petrol stations.

MyKasih plans to add another 40 families to the programme this month. There were also plans to extend the cashless aid distribution programme to Brickfields and Sentul, Ngau said.

"We have invested around RM20 million in the system's infrastructure, and we hope other interested parties can utilise the system and promote the government's initiative for a cashless society," ePetrol's chief operating officer Jeff Perera said. — **By Lim Shie-Lynn**

## Lee: IOI Corp to acquire shares at same offer price

FROM PAGE 1 >>

He said PNB and Valuecap were the institutional shareholders that did not take up IOI Corp's voluntary general offer after it closed on March 31, 2009.

Legally, any shareholder who did not accept the offer would be entitled to serve a notice to IOI Corp to require the latter to acquire the remaining IOIP shares.

If PNB and Valuecap refused to sell, IOI Corp cannot initiate a compulsory acquisition as it failed to obtain at least 90% of all the outstanding shares it had offered to acquire,

or to bring its total interest in IOIP to at least 97.6%.

However, Lee said: "A notice on how the shareholders of IOI Prop can exercise their option will be forwarded to the shareholders of IOI Prop by early next week (this week)."

"IOI Corp will acquire the shares at the same offer price (as that offered during the VGO)," he added.

IOI Corp currently holds some 91.33% of IOIP. Based on IOIP's response to *The Edge Financial Daily*, PNB and Valuecap would collectively hold 8.67% of IOIP. It had been reported that Valuecap

held some 3.48% of IOIP.

*The Edge Financial Daily* had earlier reported that several institutional players had held out from accepting IOI Corp's offer for IOIP at the VGO price. It was generally believed that they were holding out for a better offer price.

IOI Corp had in February launched the VGO to buy out all IOIP shares it did not own at RM2.598 apiece via a combination of share swap and cash payment. Under the VGO, every 100 shares held in IOIP will be exchanged for 60 shares in IOI Corp and RM33 cash.

The offer price of RM2.598 was at a 17% premium over its last traded price of RM2.22 prior to the privatisation announcement. However, it was at a substantial 34% discount to IOIP's net tangible value of RM3.95 per share.

IOI Corp had extended the VGO closing date by two weeks after it obtained only 89.68% shareholding in IOIP, below the 90% threshold that allows IOI Corp to delist the shares and take its property unit private. The VGO was made after IOIP's share price had tumbled to a seven-year low.

to reduce the monthly loan repayment instalments for facilities with interest rates pegged to the relevant base lending rate (BLR).

She said only five of the 25 member banks had yet to implement the ruling fully but were due to do it soon. Chuah said the five banks had adopted a phased approach in respect to different products or were in the midst of making the necessary systems changes.

Lor said: "For retrenched workers, we may also consider providing moratorium between six and 12 months. These measures also help us in containing our attrition."

On top of those efforts, Lor said EON Bank had re-engineered its end-to-end credit processes and credit systems with the objective of providing a clearer focus, smoother loan processing and reduced turnaround time.

He added that the banking group was also focusing its internal efforts on forming strategic alliances with developers as well as business partners in order to offer better loan packages to customers.

Meanwhile, according to BNM data, loans in the banking system are on a rising trend. Compared to a year ago, total loans in the system as at end-February were up 11% to RM729.3 billion.

A banking analyst pointed out that while there was loans growth among banks, the leading indicators — loan applications and approvals — remained in negative territory.

"Loan applications and approvals declined 9.6% and 26.6% respectively in February 2009 compared to a year before," said the banking analyst.

While the numbers reflected a decline in new loans given out, the analyst believed that the reason for this was not solely because banks were not lending.

"Banks want to lend out, they are flushed with liquidity, but they obviously would like to lend out to good credit customers. However, these good customers may not be in a situation to gear up now. It's a catch-22 situation," he added.

"People are holding out on demand and consumption credit... all of these are driven by sentiment and sentiment remains relatively weak. The Malaysian banking system is flushed with liquidity and once sentiment recovers, we'll see a sharp pick-up in loan applications and approvals," he added.