

MINORITY SHAREHOLDER WATCHDOG GROUP

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

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Questionable termination

MSWG criticises the cancelling of Country Heights Grower Scheme

PETALING JAYA: The termination of the Country Heights Grower Scheme (CHGS) has caught the eye of the Minority Shareholder Watchdog Group (MSWG), prompting it to raise some pertinent questions.

In a commentary yesterday, MSWG chief executive officer Rita Benoy Bushon probed: “Why the rush to terminate when the prevailing average crude palm oil (CPO) price is still hovering around RM2,300 per tonne, which is above the minimum RM800 per metric tonne?”

She noted that the CHGS, at the launch of its prospectus back in 2007, offered attractive returns of 8% guaranteed returns per annum in the first to fourth year.

“From the fifth year onwards to year 23, the returns would be based on the prevailing market prices of CPO, as long as it was not below RM800 per metric tonne at an average.”

The board of Plentiful Gold-Class Bhd (PGCB), the offeror of CHGS,



Rita: ‘Why the rush to terminate when the prevailing CPO price is still hovering around RM2,300 per tonne, which is above the minimum RM800 per tonne?’

had proposed to voluntarily terminate the CHGS.

“It is proposed that Growers will be getting back their fee in cash within a period of two years.”

Rita pointed out that Ferrier

Hodgson, the independent adviser, had stated that a shortfall between the grower’s fee payable of RM215mil (contributed by the subscribers) and the underlying value of the land at RM129mil cast

doubt on the recoverability of the grower’s fee.

“Would CHGS be able to refund the capital of about RM215 million in this two years?” questioned Rita.

“If the net yield payments were not made, would it not be deemed as a breach of the terms and conditions of the agreement signed between the subscribers and CHGS?”

Rita also questioned why there was an RM86mil difference in the value of the land.

“Why is there a difference, ie, RM86mil, ie, RM215mil and the value of the land, ie, RM129mil? Why was there no professional valuation carried out for the said land?”

The first grower scheme in the country will be seeing its general meeting next month on Feb 8.

“In addition, what was the reason for fixing the general meeting date a day before the Chinese New Year’s celebration, given the expected long break holiday?”