

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia – Company No. 524989-M)

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Glenealy dividend narrows offer price-expectations gap

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KUALA LUMPUR: The Minority Shareholder Watchdog Group (MSWG) found the special dividend by Glenealy Plantations (Malaya) Bhd has narrowed the value gap between offer price and minority shareholders expectation.

“After taking into consideration the proposed 52.75 sen special dividend, the value of the offer is effectively in the region of RM8 per share [RM25,000 per hectare at book value versus RM50,000 per hectare as at current] which has narrowed the value gap between the offer price and the expectation by the minority shareholders,” said MSWG CEO Rita

Benoy Bushon in her feedback on the special dividend.

She added that the minority shareholders should make their decision based on the new value of RM8 taking into consideration the dividend payment and also their return objectives.

On issues that should be highlighted at today’s EGM, Bushon said there should be revaluation of the plantation assets so that the value accorded would be more transparent to minority shareholders when they make a decision.

“Though the law is silent on the revaluation of land in cases of privatisation, we urged companies to embrace transparency by undertaking such revaluations especially when most of the assets

are land-based,” she said.

Another issue she highlighted was that regulators should compel new valuations to be carried out in future privatisations, where the companies’ assets are land-based. It also should be done within a six-month period prior to the privatisation exercise in order to ensure validity of such valuations.

Glenealy minority shareholders will meet today to vote on the proposed privatisation by Samling Strategic Corp Sdn Bhd. The proposal needs 75% shareholder support in a resolution that the Samling group cannot vote.

Glenealy’s counter closed at RM7.75, up 45 sen with 43,500 shares traded.