

MINORITY SHAREHOLDER WATCHDOG GROUP

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

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Investors to meet **SSM**, **trustee** within the week

> Growers looking to stop scheme from being terminated, seeking alternative solutions

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PETALING JAYA: Investors of the shrivelling Golden Palm Growers Scheme have selected 10 representatives to meet the Companies Commission of Malaysia (SSM) and the investment scheme trustee MTrustee Bhd within the week, to file their complaints and enquiries.

Some 60 growers who attended the forum are against terminating the scheme and are mulling options open to them to ensure their investments and returns are intact.

The decision was made at a forum facilitated by Minority Shareholder Watchdog Group (MSWG) yesterday.

The meeting, that would need to be convened before the investors' general meeting with the management company Golden Palm Growers Bhd next Monday, will also be facilitated by MSWG.

GPB had issued a notice dated Sept 6 to investors, for a general meeting of the growers to determine the future of the scheme, with a recommendation to close or terminate the scheme. In the notice, the company stated that while the value of the plantation has increased to RM220 million, it is unable to make payment obligations of repurchase requests from growers of up to RM22 million and RM18 million for net yield payable to growers.

"A failure to make these payments

will result in the scheme being liquidated and wound up. Therefore by closing the scheme, all growers will be treated equally and benefit from a sale of the plantation," the company stated in its explanatory notes on the notice of meeting to be held on Oct 2, 2017.

The management company had said that its objective is to find a proposal that gives growers back 100% of their initial investment.

In the note, GPB also cautioned that if growers vote against its plan to terminate the scheme, it will be wound up and growers will be at risk of losing their investment in the event that the concession owner, Perbadanan Pembangunan Ladang Rakyat Negeri Kelantan, terminates the 90-year concession agreement due to GPB being insolvent or in default of the agreement. The oil palm plantation scheme is a 11,000 acre land in Gua Musang, Kelantan.

The management company will need 75% approval from investors attending the general meeting in person or by proxy to go ahead with the sale.

An investor who attended MSWG's forum yesterday, speaking on condition of anonymity, told *Sunbiz* that the investors had only managed to earn a 6% dividend plus a bonus of 2% during the first two years of their investment, since its launch in August 2010.

"For the past four years, we didn't received any bonus as promised ... (we) only (received) the 6% dividend," he said, adding that from this year, the investors are supposed to receive a

minimum dividend of 9% if the average annual crude palm oil price exceeds RM1,500 per tonne up to 2033.

He also noted that most of the investors did not receive proper updates regarding the investment scheme from the management company during the six years investment period, and they only rely on the company's website to get any information and updates.

"After we subscribed to the scheme, we have nobody to turn to, except to the website. Other than that, we don't have much information until the letter (of the general meeting) came," he added.

Another investor who declined to be named said he is quite surprised with the news on termination of the scheme, as the management company was still selling plots and recruiting new investors in the recent months.

"We are very shocked. There was no indication that the company is going to foul up this way. Four months ago, they still ask (us) to buy the lot.

"Some of them (investors) who had just purchased new lots, those are the people who are really angry," he added.

Sunbiz learnt from the investors that a number of (the 60) investors who attended the forum, had initially invested in the Country Heights Growers' oil-palm farm sharing scheme, which went bust five years after its launch in 2007.

Asked whether they will continue investing in such schemes, the investors said they have learnt their lesson and prefer to look for other opportunities.

