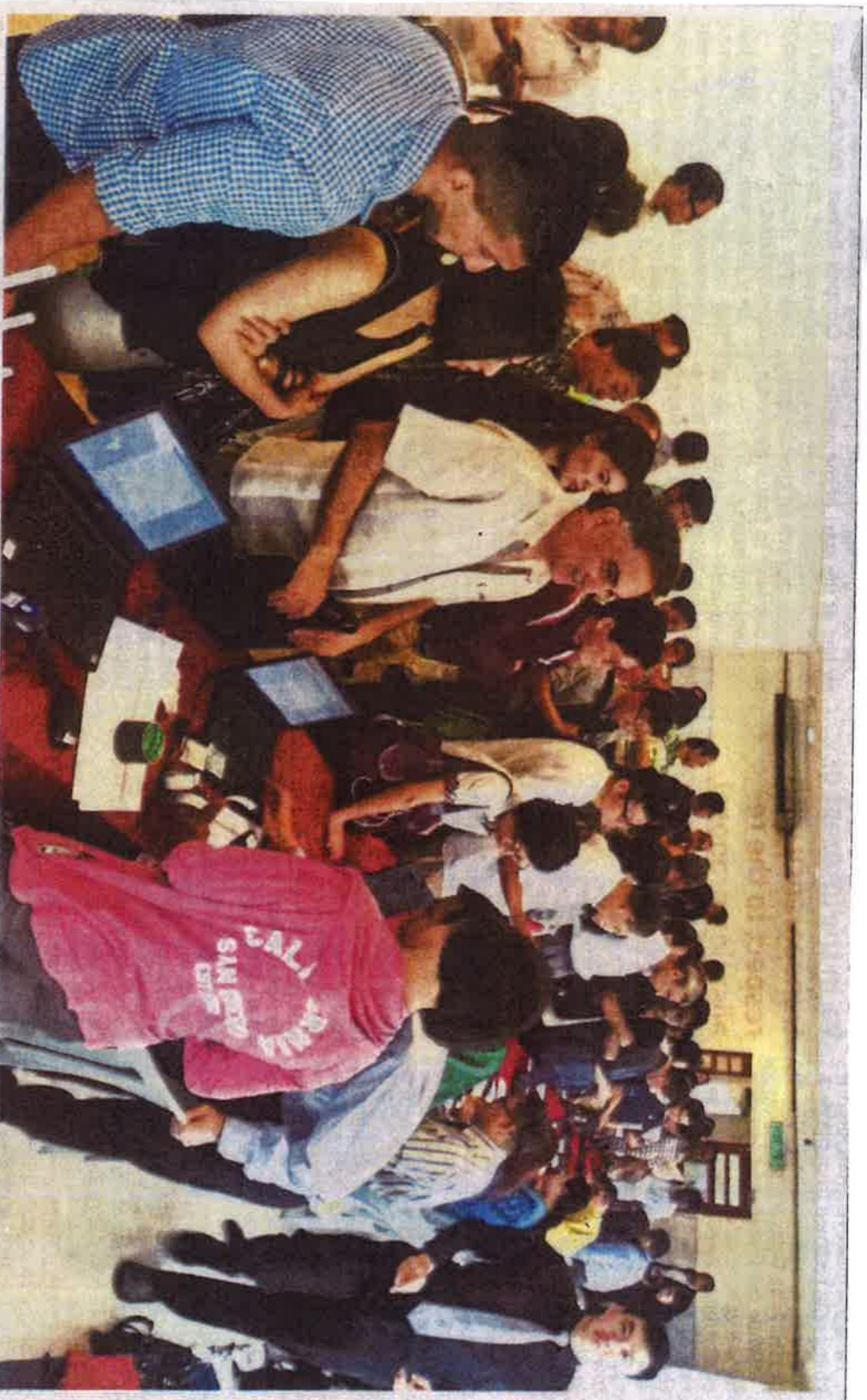


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Meeting investors: Golden Palm Growers Scheme investors registering before the meeting in Petaling Jaya yesterday morning. — IBRAHIM MOHTAR / THE STAR > See story on page 2

# Scheme has a year to find buyer

## Golden Palm Growers gets nod to structure realisation proposal

**PETALING JAYA:** Golden Palm Growers Scheme (GPGS) investors will have to wait for at least one year to know how much money they will get back from their investments in the share-farming scheme that will be terminated.

This came about after a decision was made at an emotional meeting here yesterday to terminate the interest scheme launched in 2010, and to give the management company, Golden Palm Growers Bhd, approval to find a buyer for the scheme's plantation project in Gua Musang, Kelantan.

Golden Palm Growers announced that 98% of the GPGS investors, or growers, had voted to pass a resolution at the meeting to provide the management company with 12 months from Oct 2, to structure an optional realisation proposal.

The number of growers that voted was 1,358.

According to Golden Palm Growers executive chairman Datuk CRS Paragash, the plantation asset of GPGS at present is worth RM220mil based on estimation by independent valuers.

"Our job now is to find the optimal realisation proposal," he said, adding that growers' interest would be prioritised and therefore the management company would not be taking anything from the final net sale proceeds until it has returned 100% of capital to growers as well as the payment of the

2017 net yield.

Paragash took over from Andrew Phang who resigned from the position of executive chairman at Golden Palm Growers in August.

"While the management company is legally entitled to about 40% of any final sale proceeds, as a gesture of goodwill, the management company has agreed that on any sale offer received, it will first apply the final sale proceeds towards full repayment of the growers' capital," Golden Palm Growers said in a statement.

"Thereafter, payment of the 2017 net yield payments due to the growers and, finally, the remainder of the final sale proceeds will be allocated to the management company in respect of its 40% holding in the plantation scheme," it added.

Meanwhile, an action committee comprising five members will be set up to make decisions post termination of the scheme. This will include sourcing a buyer that can give the best value for the plantation.

Importantly, the action committee's role will be to safeguard investors' interest and ensure they will not incur any losses.

"In the interest of transparency with respect to the realisation proposal, there will be an action committee put in place that would consist of one company's director/representative, two growers' representatives, trustee and monitoring

**In the interest of transparency with respect to the realisation proposal, there will be an action committee put in place.**

Golden Palm Growers Bhd

accountant that would evaluate all realisation proposals," Golden Palm Growers said.

"For all proposals that allow growers to get back 100% of the initial investment, the action committee will be authorised to approve them. On any other realisable proposal worthy of consideration but would return less than 100% of the initial investments for growers, the growers will be allowed to review and vote on the proposal," it added.

Despite the disappointment, some GPGS investors felt the resolution arrived at yesterday was the "best compromise".

The other option was for the immediate sale of the plantation asset, which would likely be at a less attractive price and could potentially result in losses for

investors, one grower said.

He said the management company had at the start of the meeting coaxed investors to vote for the resolution that would give the company one year to find a buyer for the plantation asset.

"Immediate sale would most likely result in a loss and hence lower compensation for investors," he said.

Voicing his displeasure, one grower lamented the lack of accountability in grower schemes in Malaysia. He said there should be more stringent requirements and regulations to ensure the viability and sustainability of investment products to protect the public and investors.

GPGS is a scheme registered and regulated under the Companies Commission of Malaysia. The scheme was launched in 2010.

GPGS investors received a termination notice from the management company early last month.

It is understood that up until August this year, the scheme was seeking investments from new and existing growers.

For instance, StarBiz met an African couple who in August had invested about RM9,000 in GPGS. Unlike early investors, they did not get to enjoy any dividends from the scheme.

Until 2016, GPGS had been faithfully paying the committed 6% annual dividend to growers. It has yet to pay any dividend this year.