

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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

The Star – StarBiz – Friday, 28 October, 2011 (C)

Asking for higher price

AP Land shareholders deserve more palatable valuation, says MSWG CEO

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PETALING JAYA: The Minority Shareholder Watchdog Group (MSWG) is urging the buyers of Asia Pacific Land Bhd (AP Land) to give the latter's shareholders a higher price for their shares.

MSWG chief executive officer Rita Benoy Bushon said that since the board already said the deal was "not fair but reasonable," it make it fair and give shareholders a more palatable valuation?"

Bushon said the management and board of AP Land hadn't been able to create much value for shareholders over the last decade.

AP Land lost money in seven of the last 10 years. It has also not paid any dividends over this period.

"The offer price is not reflective of the value of the company. Give the shareholders a better value, then more people will consider. There is now big value in the company and it could be turning around," Rita said.

She said AP Land's revenue had



Bushon: 'Give the shareholders a better value.'

been growing healthily since 2006; in fact, more than doubled to RM125mil in FY2011.

She added that AP Land had a sizable and well-connected landbank in Rawang. AP Land has 492ha in an area where other major and established developers have already built their own projects and which is suitably near to retail chains and will

enjoy improved road connectivity with the recent opening of LATAR expressway, as well as the possible direct linkage to LATAR via Bandar Tasik Puteri.

"Furthermore, AP Land might well have stable income from its oil palm plantations in East Kalimantan. It has a total of about 9,130ha as shown in the circular to shareholders against about 12,800ha shown in the company's 2010 annual report," said Bushon.

AP Land, which is the subject of a buyout from its major shareholder at a price that works out to 45 sen per AP Land share, adjourned its EGM on Tuesday to Nov 8 as it intended to change the disinterested board's recommendation on how shareholders should vote on the matter.

The board said it now viewed the offer as "not fair but reasonable", a slight move away from its previous stance of "fair and reasonable." The board still recommends shareholders to accept the offer.

A similar view is shared by some

analysts contacted by *StarBiz*. The offer price of 45 sen is 57% lower than its adjusted audited net assets as at Dec 31, 2010. The 45 sen price though was at an 8% premium to its closing price of 41.5 sen before the announcement was made.

"The stock has always been pretty illiquid. For the small shareholders, I don't think this small premium means very much. But this is the best exit plan for them," said a property analyst.

She added that the company had been making losses between its financial years 2007 and 2010.

"It may do better in the future, but over the last five years, the share price has hardly been above its offer price of 45 sen," she said. Another research head, however, said: "If shareholders believe that markets are efficient, then the share price is already reflecting the market value of the company."

AP Land's share price has traded below the offer price of 45 sen except for the period between early 2007 and early 2008.