

Najib has nothing to do with FGV buying stake in Eagle High, says Indonesian tycoon
The Malaysian Insider
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Oil palm giant Felda Global Ventures Holdings' (FGV) acquisition of PR Rajawali's stake in Eagle High Plantations had nothing to do with Prime Minister Datuk Seri Najib Razak, the Indonesian firm was reported as saying in The Star.

Rajawali chairman and chief executive officer Tan Sri Peter Sondakh, who enjoys a good relationship with Najib, had also said the deal was initiated by FGV.

"The deal (FGV buying into Eagle High) was proposed by their banker. It came about six weeks ago. We do not know them. It was Malaysian bank acting for FGV that initiated it," he was quoted as saying by the English daily.

"I have not seen Najib over FGV."

The Rajawali group acquired the stakes in Eagle High in December 2014, at an average price of Rp400. FGV has stated its interest in buying the 37% stake at a higher price of Rp755, just six months later, which would give Sondakh a profit of US\$328 million (RM1.23 billion).

The Employees Provident Fund (EPF), one of the stakeholders in FGV, had expressed its opposition to the deal and has asked the plantation giant to explain why it was paying a hefty premium for a non-controlling stake in Eagle High.

However, in the report by The Star today, Sondakh dismissed the accusations that FGV was paying a premium and that it had to place an "exorbitant deposit" to secure the stake.

"Honestly, we were seeking a higher price. There were other parties that had expressed interest but we preferred FGV for the synergies it offered us. FGV has a downstream business and is present in 13 countries.

"We are not in the market for selling, we seek synergies. I want to build a company that is part of a global supply chain. If I can do it together with a Malaysian company, why not?" the Rajawali boss was reported as saying.

He claimed to have been caught by surprise at the negative press about the proposed acquisition that was announced last week.

"Based on market price, can you buy a 30% or 37% stake? No, you can't," he said in defending the premium that the Rajawali group sought for the proposed disposal of its 37% share.

"To buy the third largest plantation in this country is close to impossible. Nobody is selling a big stake. The reason we are doing this (deal) is because we saw the synergy

and we are a long-term player. We want to be a downstream player because that is where the money is," he was quoted as saying.

Sondakh also brushed off allegations that Rajawali had already begun negotiations to sell some shares in Eagle High to a Malaysian plantation company at the end of last year when it was undertaking a rights issue.

"In all honesty, I am not aware of any back-to-back deal with a Malaysian plantation group with regard to the rights issue earlier. Bankers talk a lot without any responsibility," he was reported as saying. – June 23, 2015.

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