
Kinghorn's Check On RHG Shareholders

In chess notation, an exclamation mark (!) is used to denote a good move. Kinghorn deserves one for his latest move to fleece other RHG shareholders of the value in their business.

The notice of meeting and explanatory memorandum is out today and it doesn't contain too many surprises.

The \$0.88 buyback offer is short of what the company is worth. Even the independent expert's report agrees (there aren't too many who disagree with the directors who appoint them but it's hard to reach a different conclusion).

The franking credits are valuable to those on low tax rates and shareholders should be able to utilise the value of the capital loss generated (the capital component of the \$0.88 total is only \$0.01 cent).

We knew the price offered was low but at least if you didn't like it you didn't have to participate. If you think it's worth \$1.20, then every share bought back for \$0.88 only increases the value for those that hang around.

Then came this one bullet point in the announcement: 'upon completion of the buyback the Company intends to seek to have its shares delisted from ASX.'

!!

Now who wants to hang around?