

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

New Straits Times, Business Times – Monday, March 18th, 2019 **(A)**

MSWG AGM/EGM WEEKLY WATCH

MARCH 18-22, 2019

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholders Watch Group (MSWG) watch list.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at www.mswg.org.my

The AGMs/EGMs for the week:

Date & Time	Company	Venue
19.03.19 (Tue) 10.30 am	PLS Plantations Bhd (EGM)	Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara

One of the points of interest to be raised:

PLS Plantations Bhd (EGM)

1) The attachment in the Company's announcement on 9 October 2018 ("Attachment"), under the share subscription agreement ("Subscription Agreement"), states that the subscription consideration for 600,000 new ordinary shares in Dulai Fruits Enterprise Sdn Bhd ("Dulai") amounts to RM3 million. This translates to RM5 per share.

Under the share Sale and Purchase Agreement ("SPA"), the purchase consideration for the acquisition of 800,000 Dulai shares from the vendor (the Managing Director of Dulai) amounts to RM18,000,000. This translates to RM22.50 per share.

Why is the price per share paid to the Vendor under the SPA significantly higher than the price under the Subscription Agreement?

2) The aggregate consideration for the proposed transaction amounts to RM21 million. As disclosed on page 2 of the Circular to Shareholders dated 5 March 2019 ("Circular"), the net assets of Dulai stood at RM1.45 million based on the latest financial statements for FYE 30 June 2018. Dulai does not own any durian estates/plantations. It relies on durian suppliers, farmers, smallholders for the supply of durians.

As explained in the Attachment, the consideration was arrived at after taking into consideration, amongst others, the financial performance and earnings potential of Dulai, the Profit Guarantee and the outlook of the durian industry.

(a) With regard to the financial performance and earnings potential of Dulai, what is the projected profit after taxation (PAT) for the next 5 years? What are the contributing factors, both internal and external, that have been taken into consideration in the profit projection?

(b) With regard the outlook of the durian industry, as explained on page 4 of the Circular, one of the factors that has been taken into consideration is that Malaysia had on 20 August 2018, received the approval for the export of frozen durian in whole fruit form to China. This provides a huge potential for the Malaysian durian industry as China is currently the world's largest durian consumer.

What is Dulai's current annual export (in terms of the amount and the percentage to the total sales by Dulai) to China and what is the projected export in the next three years?