

## **MINORITY SHAREHOLDER WATCHDOG GROUP**

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

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### **MSWG AGM WEEKLY WATCH** SEPTEMBER 25 - 29, 2017

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholder Watchdog Group's (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](http://www.mswg.org.my).

#### **The AGMs/EGMs for the week:**

| <b>Date &amp; Time</b>            | <b>Company</b>                        | <b>Venue</b>  |
|-----------------------------------|---------------------------------------|---|
| <b>Sept 25, 2017<br/>11.30 am</b> | <b>Hai-O Enterprise Bhd<br/>(AGM)</b> | <b>The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, Kuala Lumpur</b>            |
| <b>Sept 27, 2017<br/>10.30 am</b> | <b>PLS Plantations Bhd<br/>(AGM)</b>  | <b>Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara, Kuala Lumpur</b> |
| <b>Sept 28, 2017<br/>11.30 am</b> | <b>Lay Hong Bhd<br/>(AGM)</b>         | <b>Premiere Hotel, Bandar Bukit Tinggi 1/KS6, Jalan Langat, Klang</b>                       |

#### **The points of interest to be raised:**

##### **Hai-O Enterprise Bhd (AGM)**

The Group has expended its MLM business by venturing into fashion and beauty care under the brand "Infincence". Kindly brief shareholders on the status of the new MLM brand and its expected contribution to the Group's business.

Please enlighten shareholders on the manufacturing activities under the others segment:

- (a) How much CAPEX has been utilised for the development of the manufacturing plants?
- (b) What was the utilisation rate of the Group's manufacturing plants?
- (c) What is the current update, outlook and future development for the manufacturing activities that supports the Group's MLM and Retail segment?

##### **PLS Plantations Bhd (AGM)**

For FY2017, the profit before tax of the Group was largely contributed by the Construction Segment which recorded a profit before tax of RM15.5 million.

Granted that currently there is no new project undertaking by the Group, could the Board share the view on the outlook of the Construction Segment in FY2018?

The going concern issue has been raised as a key audit matter in the Independent Auditors' Report. As stated in the said Report, the assessment on the Group's ability to continue as a going concern requires the exercise of significant judgement by the directors on the assumptions supporting the cash flow forecast, including the revenue and profit margin.

Could the Board share the assumptions on the revenue, profit margin, commodity prices, etc in the next 12 months in assessing the going concern of the Group?

##### **Lay Hong Bhd (AGM)**

We noted that the Group's strategy of locating all newer layer farms in one strategic area had saved management and logistic costs. We also noted that the Group is planning to invest in two (2) new additional automated farms to enhance the current production capacity of over 2.2 million to 3 million table eggs per day within the next two (2) years to cater for the increased demand.

- (a) What would be the expected capital expenditure to achieve this strategy?
- (b) What is the estimated savings in management and logistic costs if all farms are located in a single area?
- (c) What is the expected market demand and internal capacity per day (egg) for layer farm in Selangor and Sabah once it commences operation?