

## **MSWG** AGM/EGM Weekly Watch (March 13-17)

**FOR** this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholder Watchdog Group's (MSWG) watchlist.

The summary of points of interest are 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).

### **LAND & GENERAL BHD (EGM)**

**March 15, 2017 (9.45am)**

**The Sri Damansara Club**

**Persiaran Perdana**

**Bandar Sri Damansara**

**52200 Kuala Lumpur.**

1. As stated on Page Seven of the EGM circular, the purchase consideration will be satisfied entirely in cash while the balance is expected to be financed via proceeds raised from the proposed rights issue, internally-generated funds and/or bank borrowings of the L&G Group.

We also noted that the group has cash and bank balances of RM471.5 mil (net cash of RM393.5 mil) as of Dec 31. At the previous year's AGM, the board stated that it would utilise the cash balances for the acquisition of several parcels of land and embark on some joint venture projects.

- (i) What was the rationale for the board to change its decision to raise funds via proposed rights issue instead of utilising its cash and bank balances?
- (ii) Since the company will be raising funds via proposed rights issue, what would be the plans for the cash and bank balances?

### **HAI-O ENTERPRISE BHD (EGM)**

**March 15 (11.30am)**

**The Royale Bintang**

**55100 Kuala Lumpur.**

1. In line with good corporate governance practices, MSWG does not encourage the practice of giving option to non-executive directors as they play the governance role in the company and are responsible for

monitoring the option allocation to employees and executive directors.

Under the proposed allocations, we noted that non-executive directors are also eligible to subscribe for new shares in the company.

- (i) Could the board provide the rationale for allocating the option to non-executive directors?
- (ii) How would the board ensure that the issue of conflict of interest is addressed if the non-executive directors are also the recipients under the scheme when presiding and deliberating on such allocations under the option scheme?
- (iii) How is the monitoring process under the option scheme?

### **BINA DARULAMAN BHD (AGM)**

**March 16 (11am)**

**Intercontinental Hotel**

**50450 Kuala Lumpur.**

1. The Golf & Hotel Division posted higher losses of RM2.5 mil in FY16 compared to RM1.6 mil in the previous financial year, mainly due to higher operational costs such as for repair and maintenance and manpower.

- (i) What are the measures taken to improve the financial performance of the division?
  - (ii) What was the average occupancy rate for BDB Hotel for FY16?
2. What was the reason for the increase in "Other Investments" from RM910,924 to RM7.1 mil in FY16?