

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

New Straits Times, Business Times – Monday, September 24, 2018 **(A)**

MSWG AGM WEEKLY WATCH

24 - 28 SEPTEMBER 2018

For this week, the following are the AGMs/EGMs of companies which are in the Minority Shareholders Watch 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.

The AGMs/EGMs for the week:

Date & Time	Company	Venue
25.09.18 (Thurs) 11.30 am	Hai-O Enterprise Bhd (AGM)	The Federal Hotel Kuala Lumpur, No. 36, Jalan Bukit Bintang, KL
26.09.18 (Wed) 10.00 am	Olympia Industries Bhd (EGM)	Hotel Istana Kuala Lumpur City Centre
28.09.18 (Fri) 11.30 am	Lay Hong Bhd (AGM)	Premiere Hotel, Bandar Bukit Tinggi 1/KS6, Jalan Langat, Klang

**One of the points of interest to be raised:
Company Points/Issues to Be Raised**

Hai-O Enterprise Bhd (AGM)

As disclosed in the Group's Cash Flow Statement on page 105 of the Annual Report, the Company has disposed treasury shares and repurchased treasury shares within the FY 2018.

- (i) Please explain the rationale for the disposal and repurchase?
- (ii) What was the average price for both the disposed treasury shares and the repurchased treasury shares?

Olympia Industries Bhd (EGM)

We wish to refer to the valuation considerations as stated on page 22 of the Independent Advise Letter in the Circular to shareholders dated 30 August 2018.

- (i) Is the premium factor of 2.5% per floor for every floor higher than level 1 in accordance with industry norm taking into consideration the location and type of development of the property?
- (ii) Given the prime location and the low density ratio, why is a bulk discount of 10% deemed appropriate in this deal? Was such a discount offered when offering the assets for sale to third parties? Can the Board explain the rationale for this discount?
- (iii) The settlement includes a 5% Bumiputera discount for 4 units out of the total 12 units. Why is it necessary to provide an additional discount of 5% (Bumiputera discount) to KH Estates Sdn Bhd, a wholly-owned subsidiary of Dutaland Berhad, given that this was a debt settlement deal and not a direct sale to individual Bumiputera buyers as per the restrictive condition by the authorities?

Lay Hong Bhd (AGM)

1. On page 6 of the Annual Report, under the Management Discussion and Analysis (MD&A), it was stated that the retail operation is concentrated only in the state of Sabah. Retail operation registered higher losses in FY2018 (FY2018: loss of RM1.6 million; FY2017: loss of RM1.4 million) despite higher revenue (FY2018: RM140.4 million; FY2017: RM124 million).

- (i) Why is the retail operation concentrated only in Sabah and are there any plans to expand geographically?
 - (ii) How will the Group strategise to turnaround the operations and when is it expected to be profitable?
 - (iii) To what extent will the abolishment of GST impact the business going forward?
2. Under the Pasteurised Liquid Egg Division, to meet rising demand especially from the confectioneries and food caterers in the Southern Region and Singapore, the Company has acquired a newly built factory in Iskandar Halat Park, Pasir Gudang, Johor, to set up its second egg processing facility.
- (i) What is the capacity of the second egg processing facility?
 - (ii) With two facilities, would the Group be able to cope with the current and future demand or would there be temporary overcapacity?
 - (iii) Is there a plan to build another facility in the north to cater for the demand in the northern region and/or to cater for more exports?