

Question 1:

Mr Lee Soon Ching asked whether the Board has any intention to increase the dividend payout ratio in view of the Group's strong financial performance and its dividend policy.

Answer 1:

Dr Chia replied that the Group has been adopting a consistent dividend payout policy ranging from 25% to 30% of its profit after tax ("PAT") for the past 17 years. The rate has been maintained at this level mainly due to the high capital expenditure incurred or to be incurred by the Group in the long run which is necessary for the operations.

He added that in addition to the proposed final dividend of 4.25 sen per share, the Company had paid a special dividend of 3 sen per share in conjunction with QL's 30th anniversary, which is equivalent to a total payout ratio of more than 40% of the PAT.

Question 2:

Mr William Ng (Ng Aik Pheng) enquired about the Company's plan in increasing its market shares in Vietnam and Indonesia which is currently at a low level; how the Group handles bird flu challenges; whether there is more chickens than eggs in the market.

Answer 2:

In terms of handling bird flu challenges, Dr Chia replied that the Group has developed an in-house vaccination program which has proven to be effective in mitigating such disease, especially for its layer farming business in Indonesia.

Meanwhile, the Company is currently adopting a "wait and see" approach in increasing its market shares in Vietnam and Indonesia.

Dr Chia opined that there is more chickens than eggs in the market because a chicken may not necessarily lay an egg. There is about 1.1-1.2 chicken that lays an egg whereas 1 person consume about 0.9 egg per day.

Question 3:

Mr Chong Chee Fern commented that every shareholder in the meeting has the right to ask question unless the question being asked is unwarranted or irrelevant. Hence, the Management should not be questioning a shareholder's motive in asking a question.

Answer 3:

The Chairman and the Board noted Mr Chong's comment.