



HAI-O ENTERPRISE BERHAD

(Company No. 22544-D)

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of Hai-O Enterprise Berhad ("HAI-O" or "Company") will be held at the Royale Ballroom, Level 2, The Royale Bintang Kuala Lumpur, 17-21, Jalan Bukit Bintang, 55100 Kuala Lumpur on Wednesday, 15 March 2017 at 11:30 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 101,095,141 NEW ORDINARY SHARES IN HAI-O ("HAI-O SHARES") ("BONUS SHARES") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING HAI-O SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")

"THAT subject to the approvals of all relevant regulatory authorities being obtained, the Board of Directors of Hai-O ("Board") be and is hereby authorised to capitalise an amount of up to RM50.55 million from the retained earnings of our Company, and to apply such capitalised sums to make payment in full for up to 101,095,141 Bonus Shares, on the basis of 1 Bonus Share for every 2 existing Hai-O Shares held by the shareholders whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later;

THAT any fractional entitlements arising from the Proposed Bonus Issue, if any, will be disregarded and shall be dealt with in such manner as our Board shall in their absolute discretion deem fit or expedient, and in the best interest of our Company;

THAT the Bonus Shares, will, upon allotment and issuance, rank equally with the existing Hai-O Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid, of which the entitlement date is prior to the date of allotment and issuance of the Bonus Shares;

AND THAT our Board be and is hereby authorised to give effect to the Proposed Bonus Issue with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN HAI-O (EXCLUDING TREASURY SHARES) AT ANY ONE TIME DURING THE DURATION OF ESOS FOR ELIGIBLE EMPLOYEES AND DIRECTORS OF HAI-O AND ITS SUBSIDIARIES ("GROUP") (EXCLUDING SUBSIDIARIES WHICH ARE DORMANT) ("ELIGIBLE PERSONS") ("PROPOSED ESOS")

"THAT, subject to the approvals of all relevant regulatory authorities being obtained, our Board be and is hereby authorised to:

- (a) establish, implement and administer the ESOS for the benefit of the Eligible Persons, in accordance with the by-laws governing the Proposed ESOS ("By-Laws") as set out in Appendix II of the circular to shareholders dated 24 February 2017 ("Circular");
- (b) allot and issue from time to time such number of new Hai-O Shares as may be required to be issued pursuant to the exercise of ESOS options under the Proposed ESOS, **PROVIDED THAT** the total number of new Hai-O Shares to be issued under the Proposed ESOS shall not in aggregate exceed 15% of the total number of issued shares in our Company (excluding treasury shares) at any one time during the duration of the Proposed ESOS **AND THAT** the new Hai-O Shares to be allotted and issued upon the exercise of any ESOS options granted under the Proposed ESOS will, upon allotment and issuance, rank equally with the existing Hai-O Shares, save and except that the new Hai-O Shares will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid, of which the entitlement date is prior to the date of allotment and issuance of such new Hai-O Shares;
- (c) do all necessary and make such applications as may be necessary at the appropriate time or times to Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the new Hai-O Shares which may from time to time be allotted and issued arising from the exercise of the ESOS options;
- (d) modify, vary and/or amend the By-Laws from time to time as may be required/permitted by the authorities or deemed necessary by the authorities or our Board **PROVIDED THAT** such modifications, variations and/or amendments are effected in accordance with the provisions of the By-Laws relating to

modifications, variations and/or amendments and to do all such acts and things to enter into all such transactions, arrangements and agreements, deeds or undertakings, to deliver and/or cause to be delivered all such documents and to make such rules or regulations, and/or impose such terms and conditions and/or delegate part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the ESOS; and

- (e) extend the ESOS, if our Board deems fit, for up to a maximum period of an additional 5 years ("Extension") upon the recommendation by the ESOS committee, **PROVIDED ALWAYS** that the initial ESOS period of 5 years and such Extension made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years or such other period as may be prescribed by Bursa Securities or any other relevant authorities, and that the Directors of our Company be and is hereby authorised to implement the Extension and do all such acts and things and to execute all necessary documents to give full effect to and complete the Extension with full power to assent to or make any modification, variation and/or amendment as may be required by the relevant authorities and to take all steps and actions as may be required by the relevant authorities and as our Directors may deem necessary and/or expedient to finalise, implement and give full effect to and complete the Extension;

THAT our Board be and is hereby authorised to give effect to the ESOS with full power to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as our Board may deem fit or necessary at its discretion;

AND THAT the By-Laws, as set out in Appendix II of the Circular, be and is hereby approved and adopted."

ORDINARY RESOLUTIONS 3 - 12

PROPOSED ALLOCATIONS

"THAT subject to the passing of Ordinary Resolution 2 above, our Company be and is hereby authorised, at any time and from time to time during the duration of the ESOS, to grant to the following persons, options to subscribe for new Hai-O Shares under the Proposed ESOS:

Directors

(i) Tan Kai Hee	Ordinary Resolution 3
(ii) Tan Keng Kang	Ordinary Resolution 4
(iii) Hew Von Kin	Ordinary Resolution 5
(iv) Chow Kee Kan @ Chow Tuck Kwan	Ordinary Resolution 6
(v) Y. Bhg. Datin Sunita Mei-Lin Rajakumar	Ordinary Resolution 7
(vi) Tan Kim Siong	Ordinary Resolution 8
(vii) Soon Eng Sing	Ordinary Resolution 9
(viii) Chia Kuo Wui	Ordinary Resolution 10
(ix) Y. Bhg. Prof Datuk Dr Choo Yeang Keat	Ordinary Resolution 11

Employee (person connected with Directors and Interested Major Shareholders)

(i) Tan Siow Eng	Ordinary Resolution 12
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PROVIDED THAT:

- (a) at any one time when a written offer by the ESOS committee to an Eligible Person to participate in the ESOS in the manner provided in the By-Laws is made, not more than 10% of the new Hai-O Shares available under the ESOS shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares in our Company (excluding treasury shares); and
- (b) at any one time during the duration for the ESOS, not more than 50% of the new Hai-O Shares available under the ESOS shall be allocated, in aggregate, to Directors (including Non-Executive Directors) and senior management of our Group.

By Order of the Board

Cynthia Gloria Louis (MAICSA 7008306)
Chew Mei Ling (MAICSA 7019175)

Company Secretaries

Selangor Darul Ehsan
24 February 2017

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 7 March 2017 shall be entitled to attend, speak and vote at this EGM.
2. A member entitled to attend and vote at the above meeting is entitled to appoint not more than 2 proxies to attend and vote instead of him save for a member who is an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 and holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
3. Where a member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or attorney duly authorised in writing.
5. The Form of Proxy must be deposited at the office of our Company's Share Registrar, Boardroom Corporate Services (KL) Sdn Bhd, Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting.