



## HAI-O ENTERPRISE BERHAD

(Company No. 22544-D)

(Incorporated in Malaysia under the Companies Act, 1965)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 39th Annual General Meeting of the Company will be held at the Ballroom 1, Level 2, The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, 55100 Kuala Lumpur on Wednesday, 15 October 2014 at 11.30 a.m. to transact the following business:-

#### AGENDA

- To lay the Audited Financial Statements for the financial year ended 30 April 2014 and the Reports of the Directors and Auditors thereon.
- To re-elect the following Directors who are retiring by rotation pursuant to Article 102(1) of the Company's Articles of Association:
  - Mr. Chia Kuo Wui **(Resolution 1)**
  - Mr. Chow Kee Kan @ Chow Tuck Kwan **(Resolution 2)**
- To re-elect Mr. Tan Kim Siong as a Director who is retiring pursuant to Article 109 of the Company's Articles of Association. **(Resolution 3)**
- To approve Directors' fees of RM160,000 for the financial year ended 30 April 2014. **(Resolution 4)**
- To declare a final single tier dividend of 10 sen per ordinary share for the financial year ended 30 April 2014. **(Resolution 5)**
- To re-appoint Messrs. KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

#### As Special Business :-

- To consider and if thought fit, to pass the following ordinary resolutions :-

#### i. To pass the following resolutions in accordance with Section 129(6) of the Companies Act, 1965:-

- "That Tan Sri Osman S Cassim, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 7)**
- "That Mr. Tan Kai Hee, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 8)**
- "That Mr. Lim Chin Luen, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 9)**

#### ii. To retain Tan Sri Osman S Cassim as an Independent Non-Executive Director of the Company. **(Resolution 10)**

#### iii. To authorise the allotment and issuance of shares pursuant to Section 132D of the Companies Act, 1965:-

"That the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit and in the interest of the Company, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company as at the date of this Annual General Meeting and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 11)**

#### iv. Proposed Share Buy-Back by the Company

"That subject to the rules, regulations and orders made pursuant to the Companies Act, 1965 ("the Act"), provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Board be and is hereby authorised to purchase the Company's issued and paid-up ordinary shares of RM0.50 each ("Hai-O Shares") through Bursa Securities ("Proposed Share Buy-Back") subject to the following:-

- the maximum number of Hai-O Shares which may be purchased and/or held as treasury shares by the Company at any point in time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company;
- the maximum fund to be allocated by the Company for the purpose of purchasing the Hai-O Shares shall not exceed the aggregate of the retained profits and/or the share premium account of the Company;
- the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and will expire at the conclusion of the next Annual General Meeting of the Company, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authorities; and

- upon completion of the purchase(s) of the Hai-O Shares by the Company, the Board be and is hereby authorised to retain the Hai-O Shares so purchased as treasury shares, of which may be distributed as dividends to shareholders and/or re-sold on Bursa Securities and/or subsequently cancelled and in other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND that the Board be and is hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Hai-O Shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto." **(Resolution 12)**

- To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

#### NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN** that subject to the approval of the shareholders at the 39th Annual General Meeting to be held on 15 October 2014, a final single tier dividend of 10 sen per ordinary share in respect of the financial year ended 30 April 2014 will be paid on 26 November 2014. The entitlement date for the dividend payment is 14 November 2014.

A Depositor shall qualify for the entitlement to the dividend only in respect of:-

- (a) Depositor transferred into the Depositor's Securities Account before 4.00 p.m. on 14 November 2014 in respect of transfers; and
- (b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Cynthia Gloria Louis (MAICSA 7008306)

Chew Mei Ling (MAICSA 7019175)

Company Secretaries

Kuala Lumpur

19 September 2014

#### Notes:

- In respect of deposited securities, only Members whose names appear in the Record of Depositors on 8 October 2014 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 39th Annual General Meeting.
- A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (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 one (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.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its Common Seal or attorney duly authorised in writing.
- The Form of Proxy must be deposited at the office of the 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.

#### Explanatory Notes on Special Business

#### Resolutions 7, 8 and 9 – Directors seeking for re-appointment pursuant to Section 129(6) of the Companies Act, 1965

The re-appointment of Tan Sri Osman S Cassim, Mr. Tan Kai Hee and Mr. Lim Chin Luen, who are over the age of 70 years to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Resolutions 7, 8 and 9 have been passed by a majority of not less than three-fourths (3/4) of members entitled to vote in person or by proxy at the 39th Annual General Meeting.

#### Resolution 10 – Proposal to retain Tan Sri Osman S Cassim as an Independent Non-Executive Director of the Company

Tan Sri Osman S Cassim is currently the Senior Independent Non-Executive Director and Chairman of our Company who has served on our Board since 31 January 2005. He has served for more than nine (9) years cumulatively and in applying the recommendation under the Malaysian Code of Corporate Governance 2012, the Board has assessed and with the recommendation of the Nominating Committee would strongly recommend to the members of the Company to vote in favour of the resolution for Tan Sri Osman S Cassim to continue to act as an Independent Non-Executive Director. This is because he has demonstrated throughout the term of his office to be independent not only by the mere fulfillment of the criteria under the definition of Independent Director of the Main Market Listing Requirements of Bursa Securities but subjectively too by exercising independent judgment when a matter is put before him for a decision. He also has the necessary knowledge of the business and operations of the Group and has the experience to make informed decision and to participate actively and contribute positively during deliberations or discussions at Board meetings.

#### Resolution 11 – Mandate to issue shares pursuant to Section 132D of the Companies Act, 1965

The Directors did not issue any new shares pursuant to the existing Mandate which will lapse at the conclusion of the 39th Annual General Meeting.

The proposed resolution is to seek members' approval to renew the mandate given by them at the 38th Annual General Meeting to issue new shares pursuant to Section 132D of the Companies Act, 1965. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, funding for future investment project(s) and/or business expansion and/or working capital and/or acquisitions.

#### Resolution 12 – Proposed Share Buy-Back by the Company

The Ordinary Resolution, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the issued and paid-up share capital of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting. For further information on the Proposed Share Buy-Back, please refer to the Share Buy-Back Statement dated 19 September 2014 accompanying the 2014 Annual Report.