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**HAI-O ENTERPRISE BERHAD**

(Company No. 22544-D)  
(Incorporated in Malaysia)

**PART A**

**STATEMENT TO SHAREHOLDERS  
IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY  
("SHARE BUY-BACK STATEMENT")**

**PART B**

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO THE PROPOSED ADOPTION OF A NEW CONSTITUTION  
("PROPOSED ADOPTION")**

The Ordinary/Special Resolution in respect of the above proposals will be tabled as Special Business at the 44th Annual General Meeting (“AGM”) of Hai-O Enterprise Berhad (“Hai-O” or “the Company”) to be held at Ballroom I, Level 2, The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, 55100 Kuala Lumpur on Thursday, 26 September 2019 at 11.30 a.m.. The notice of the 44th AGM together with the Form of Proxy is enclosed together with the Annual Report 2019 of the Company.

If you decide to appoint a proxy or proxies for the AGM, you must complete and lodge the Form of Proxy for the AGM at the office of our Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 44th AGM or at any adjournment thereof. The lodging of the Form of Proxy for the AGM will not preclude you from attending and voting in person at the meeting should you subsequently decide to do so.

Date of Record of Depositors for the purpose of determining members’ entitlement to attend, vote and speak at the AGM	: Monday, 19 September 2019 at 5.00 p.m.
Last date and time for lodging the Form of Proxy	: Tuesday, 24 September 2019 at 11.30 a.m.
Date and time of the 44th AGM	: Thursday, 26 September 2019 at 11.30 a.m.

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**PART A**

**STATEMENT TO SHAREHOLDERS**

**IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**



**HAI-O ENTERPRISE BERHAD**

(Company No. 22544-D)

(Incorporated in Malaysia)

**STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (“SHARE BUY-BACK STATEMENT”)**

**1. INTRODUCTION**

At the 43rd AGM of the Company held on 25 September 2018, your Board has obtained your approval to undertake the purchase by Hai-O of its own shares of up to ten percent (10%) of the total number of shares issued of the Company (Proposed Share Buy-Back). The approval for the renewal of the Proposed Share Buy-Back shall lapse at the conclusion of the forthcoming 44th AGM of Hai-O which will be held on 26 September 2019.

On 25 June 2019, the Company announced that it proposes to seek from the shareholders the approval for the renewal of the Proposed Share Buy-Back. The renewal will be effective upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the Company’s forthcoming 44th AGM until the conclusion of the next AGM of Hai-O or the expiry of the period within which the next AGM is required by law to be held, unless earlier revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting, whichever occurs first.

**2. SOURCE OF FUNDS**

The Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Companies Act 2016 (“the Act”) stipulates that the proposed purchase by a listed company of its own shares must be made wholly out of retained earnings of the listed company.

Hai-O therefore proposes to allocate an amount not exceeding the audited retained earnings of the Company for the purpose of the Proposed Share Buy-Back. The retained earnings of the Company based on the latest audited financial statements for the year ended 30 April 2019 was RM36,362,933.

The funding for the Proposed Share Buy-Back will be sourced from internally generated funds and/or external borrowings, the proportion of which will depend on the quantum of the purchase consideration as well as the availability of internally generated funds and borrowings and repayment capabilities of the Company at the time of purchase(s). In the event the Proposed Share Buy-Back is to be partly financed by external borrowings, the Company expects that it will be capable of repaying such borrowings and that such funding is not expected to have any material effect on the cash flow of Hai-O Group.

**3. RATIONALE, POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

Pursuant to the provisions of Section 127(7) of the Act, the Directors may deal with the shares in the following manner:-

- (i) cancel the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury, which may be distributed as share dividends to the shareholders and/or resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or transferred for the purposes of or under an employees’ share scheme and/or transferred as purchase consideration and/or cancelled subsequently and/or sold, transferred or otherwise be used for such purposes as the Minister may by order prescribe; and/or
- (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; and/or
- (iv) such other manner as may be permitted by the Act.

The decision on whether to retain the shares so purchased as treasury shares or to cancel the shares so purchased or a combination of both, will be made by the Board at the appropriate time.

The Proposed Share Buy-Back, if exercised, is expected to potentially benefit the Company and its shareholders as follows:-

- The Company may be able to stabilise the supply and demand of the ordinary shares of Hai-O (“Hai-O Shares”) in the open market of Bursa Securities thereby supporting its fundamental value.
- The earnings per share of the Group will be strengthened if the shares purchased are cancelled which in turn will have a positive impact on the Company’s share price.

- If the Hai-O Shares so purchased by the Company are held as treasury shares, the Company may have the opportunity to distribute those shares as share dividends, thus benefiting the shareholders. The treasury shares may also be re-sold in the open market of Bursa Securities at a price higher than the purchase price, thereby realising a potential gain for Hai-O without affecting the Company's issued share capital.
- Hai-O may be able to use its financial resources where there is no immediate use for them.

However, the Proposed Share Buy-Back, if implemented, would reduce the financial resources of the Group. This may result in the Group having to forego better investment opportunities in the future or, at the least, deprive the Company and the Group of any income that may be derived from the deposit of such funds in interest bearing instruments. The Proposed Share Buy-Back may also result in a reduction of financial resources available for distribution in the form of cash dividends to the shareholders of Hai-O.

The actual treatment of the shares purchased pursuant to the Proposed Share Buy-Back would depend on, inter-alia, the prevailing equity market conditions and the financial position of Hai-O.

Your Board will be mindful of the interest of Hai-O and its shareholders in implementing the Proposed Share Buy-Back and its subsequent resale.

#### 4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on the Share Capital, Net Assets and Working Capital, Earnings, Dividends, and Directors' and Substantial Shareholders' Shareholdings are set out below.

##### 4.1 Share Capital

As at 8 August 2019, the total issued share capital of the Company was RM157,256,450 comprising of 300,297,890 ordinary shares (including 9,932,388 Treasury Shares).

The Company also has an Employees' Share Option Scheme ("ESOS") which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 15 March 2017.

The Company may grant up to 15% of the total number of shares issued in our Company (excluding treasury shares) at any time over the ESOS period for the employees and directors. A total of 2,189,000 ESOS Options were granted under the 1st tranche to the eligible employees and directors of Hai-O and its subsidiaries on 3 July 2017, out of which a total of 1,644,000 shares were issued pursuant to the ESOS Options exercised. After net off the forfeited 44,000 Options, the outstanding ESOS Options was 501,000 as at 8 August 2019.

In the event Hai-O acquires the full number of Hai-O Shares authorised under the Proposed Share Buy-Back, the total number of shares issued of Hai-O based on the following assumptions will be as follows: -

Minimum Scenario	:	Assuming all of the existing Treasury Shares are cancelled and none of the ESOS Options are exercised before the implementation of the Proposed Renewal of Share Buy-Back.
Maximum Scenario	:	Assuming all the existing Treasury Shares are re-sold and all the 501,000 Outstanding ESOS Options under the 1st Tranche of ESOS granted are exercised before the implementation of the Proposed Renewal of Share Buy-Back.

	<b>Minimum Scenario No. of Shares</b>	<b>Maximum Scenario No. of Shares</b>
Issued share capital as at 8 August 2019	300,297,890	300,297,890
Less: Treasury Shares @ 8 August 2019 and assuming fully cancelled	(9,932,388)	-
Add: Assuming full exercise of Outstanding ESOS Options #	-	501,000
Less: To be purchased pursuant to the Proposed Share Buy-Back and assuming fully cancelled	(20,097,401)	(30,079,889)
<b>Total number of shares issued after the Proposed Share Buy-Back</b>	<b>270,268,101</b>	<b>270,719,001</b>

# Balance ESOS Options exercisable under the 1st Tranche of ESOS granted on 3 July 2017.

In the event that the Hai-O Shares purchased are retained as treasury shares, the issued share capital of Hai-O will not be reduced but the rights attaching to the treasury shares as to voting, dividends and participating in other distributions or otherwise will be suspended. While these Hai-O Shares remain as treasury shares, the Act prohibits the taking into account such shares in calculating the number or percentage of shares in Hai-O for any purposes whatsoever including substantial shareholders' shareholdings, takeovers, notices, the requisitioning and quorum of general meetings and the result of votes on resolutions at general meetings.

#### **4.2 Net Assets and Working Capital**

The effects of the Proposed Share Buy-Back is likely to reduce or increase the Net Assets per share of the Hai-O Group and will reduce the working capital of the Hai-O Group, the quantum of which depends on the number of Hai-O Shares purchased, the purchase price and the effective funding costs of the Hai-O Group. The Proposed Share Buy-Back will reduce the Net Assets per share of the Hai-O Group if the purchase price exceeds the Net Assets per share of the Group at the time of the purchase. Conversely, the Net Assets per share of Hai-O Group will increase if the purchase price is less than the Net Assets per share of the Hai-O Group at the time of the purchase.

Should the Company choose to resell the treasury shares on Bursa Securities, depending on the price at which the said shares are re-sold, the Proposed Share Buy-Back may have a positive effect on the Net Assets of the Group if a gain on disposal is achieved.

The audited Net Assets per share of the Hai-O Group as at 30 April 2019 is RM1.07.

#### **4.3 Earnings**

Assuming the purchased Hai-O Shares under the Proposed Share Buy-Back are cancelled, the Proposed Share Buy-Back may increase the earnings per share ("EPS") of Hai-O Group. In addition, on the assumption that the purchased Shares are treated as treasury shares and subsequently resold, the earnings of Hai-O Group may be affected depending on the actual selling price and number of treasury shares resold. In the event the purchased Shares are held as treasury shares, the effective reduction in the issued share capital of the Company pursuant to the Proposed Share Buy-Back would generally, all else being equal, increase the consolidated EPS of the Group.

#### **4.4 Dividends**

For the financial year ended 30 April 2019, your Board has declared an interim single tier dividend of 4 sen per ordinary share, amounting to RM11,614,620 which was paid on 7 March 2019.

Subject to the approval of the shareholders at the forthcoming 44th AGM, your Board has recommended a final single tier dividend of 9 sen per ordinary share in respect of the financial year ended 30 April 2019.

Assuming the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of the Company as a result of the reduction in the number of shares issued as described under Section 4.1 above if the Hai-O Shares purchased are cancelled.

If the Hai-O Shares purchased are treated as treasury shares and assuming the dividend quantum of the Company is maintained at the historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of the Company as a result of the suspension of rights attaching to the treasury shares as to dividend entitlement. Nonetheless, the treasury shares may be distributed as share dividends to shareholders of the Company if the Company so decides.

#### 4.5 Directors' and Substantial Shareholders' Shareholdings

##### (i) Directors

The proforma effects of the Proposed Share Buy-Back on the shareholdings of the Directors of Hai-O based on the Register of Directors' Shareholdings as at 8 August 2019 and assuming that Hai-O purchases the maximum ten percent (10%) of its total number of shares issued are set out as follows:

**Minimum Scenario:** Assuming all of the existing Treasury Shares are cancelled and none of the ESOS Options are exercised before the implementation of the Proposed Renewal of Share Buy-Back.

	As at 8 August 2019			After the Proposed Share Buy-Back		
	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
<b>Directors</b>						
Tan Kai Hee	29,560,899	10.18	43,188,006 <sup>(a)</sup>	29,560,899	10.94	43,188,006 <sup>(a)</sup>
Tan Keng Kang	12,388,320	4.27	60,360,585 <sup>(b)</sup>	12,388,320	4.58	60,360,585 <sup>(b)</sup>
Hew Von Kin	401,152	0.14	-	401,152	0.15	-
Chia Kuo Wui	1,381,301	0.48	-	1,381,301	0.51	-
Tan Kim Siong	52,000	0.02	7,500 <sup>(c)</sup>	52,000	0.02	7,500 <sup>(c)</sup>
Chow Kee Kan @ Chow Tuck Kwan	20,000	0.01	-	20,000	0.01	-
Soon Eng Sing	50,000	0.02	-	50,000	0.02	-
Tan Beng Ling	-	-	-	-	-	-
Hajjah Ruhanas Binti Harun	-	-	-	-	-	-
Ng Chek Yong	-	-	-	-	-	-

**Maximum Scenario:** Assuming all the existing Treasury Shares are re-sold and all the 501,000 Outstanding ESOS Options under the 1st Tranche of ESOS granted are exercised before the implementation of the Proposed Renewal of Share Buy-Back.

	As at 8 August 2019			After full exercise of ESOS Options			After the Proposed Share Buy-Back			
	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	
<b>Directors</b>										
Tan Kai Hee	29,560,899	10.18	43,188,006 <sup>(a)</sup>	29,560,899	9.83	43,188,006 <sup>(a)</sup>	14.36	29,560,899	10.92	43,188,006 <sup>(a)</sup>
Tan Keng Kang	12,388,320	4.27	60,360,585 <sup>(b)</sup>	12,388,320	4.12	60,360,585 <sup>(b)</sup>	20.07	12,388,320	4.58	60,360,585 <sup>(b)</sup>
Hew Von Kin	401,152	0.14	-	421,152	0.14	-	-	421,152	0.16	-
Chia Kuo Wui	1,381,301	0.48	-	1,381,301	0.46	-	-	1,381,301	0.51	-
Tan Kim Siong	52,000	0.02	7,500 <sup>(c)</sup>	52,000	0.02	7,500 <sup>(c)</sup>	0.002	52,000	0.02	7,500 <sup>(c)</sup>
Chow Kee Kan @ Chow Tuck Kwan	20,000	0.01	-	20,000	0.01	-	-	20,000	0.01	-
Soon Eng Sing	50,000	0.02	-	50,000	0.02	-	-	50,000	0.02	-
Tan Beng Ling	-	-	-	-	-	-	-	-	-	-
Hajjah Ruhanas Binti Harun	-	-	-	-	-	-	-	-	-	-
Ng Chek Yong	-	-	-	-	-	-	-	-	-	-

##### Notes:

- Deemed interested by virtue of his substantial interest in Akintan Sdn Bhd and Daritan Sdn Bhd and through the direct and indirect interest of his family members in Hai-O respectively.
- Deemed interested through the direct and indirect interest of his family members in Hai-O.
- Deemed interested through the direct and indirect interest of his spouse.

(ii) **Substantial Shareholders**

The proforma effects of the Proposed Share Buy-Back on the shareholdings of the Substantial Shareholders of Hai-O based on the Register of Substantial Shareholders as at 8 August 2019 and assuming that Hai-O purchases the maximum ten percent (10%) of its total number of shares issued are set out as follows:

**Minimum Scenario:** Assuming all of the existing Treasury Shares are cancelled and none of the ESOS Options are exercised before the implementation of the Proposed Renewal of Share Buy-Back.

	As at 8 August 2019			After the Proposed Share Buy-Back		
	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
<b>Substantial Shareholders</b>						
Tan Kai Hee	29,560,899	10.18	43,188,006 <sup>(i)</sup>	29,560,899	10.94	43,188,006 <sup>(i)</sup>
Akintan Sdn Bhd	23,376,913	8.05	-	23,376,913	8.65	-
Excellant Communication Sdn Bhd	15,548,679	5.35	-	15,548,679	5.75	-
Tan Keng Kang	12,388,320	4.27	60,360,585 <sup>(ii)</sup>	12,388,320	4.58	60,360,585 <sup>(ii)</sup>
Tan Keng Song	1,715,320	0.59	71,768,578 <sup>(iii)</sup>	1,715,320	0.63	71,768,578 <sup>(iii)</sup>
Phan Van Denh	845,743	0.29	71,903,162 <sup>(iv)</sup>	845,743	0.31	71,903,162 <sup>(iv)</sup>

**Maximum Scenario:** Assuming all the existing Treasury Shares are re-sold and all the 501,000 Outstanding ESOS Options under the 1st Tranche of ESOS granted are exercised before the implementation of the Proposed Renewal of Share Buy-Back.

	As at 8 August 2019			After full exercise of ESOS Options			After the Proposed Share Buy-Back			
	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	
<b>Substantial Shareholders</b>										
Tan Kai Hee	29,560,899	10.18	43,188,006 <sup>(i)</sup>	29,560,899	9.83	43,188,006 <sup>(i)</sup>	14.36	29,560,899	10.92	43,188,006 <sup>(i)</sup>
Akintan Sdn Bhd	23,376,913	8.05	-	23,376,913	7.77	-	-	23,376,913	8.64	-
Excellant Communication Sdn Bhd	15,548,679	5.35	-	15,548,679	5.17	-	-	15,548,679	5.74	-
Tan Keng Kang	12,388,320	4.27	60,360,585 <sup>(ii)</sup>	12,388,320	4.12	60,360,585 <sup>(ii)</sup>	20.07	12,388,320	4.58	60,360,585 <sup>(ii)</sup>
Tan Keng Song	1,715,320	0.59	71,768,578 <sup>(iii)</sup>	1,715,320	0.57	71,768,578 <sup>(iii)</sup>	23.86	1,715,320	0.63	71,768,578 <sup>(iii)</sup>
Phan Van Denh	845,743	0.29	71,903,162 <sup>(iv)</sup>	845,743	0.28	71,903,162 <sup>(iv)</sup>	23.91	845,743	0.31	71,903,162 <sup>(iv)</sup>

**Notes:**

- Deemed interested by virtue of his substantial interest in Akintan Sdn Bhd and Daritan Sdn Bhd and through the direct and indirect interest of his family members in Hai-O respectively.
- Deemed interested through the direct and indirect interest of his family members in Hai-O.
- Deemed interested through the direct and indirect interest of her family members in Hai-O.
- Deemed interested through the direct and indirect interest of her spouse.



## 5. PURCHASE OF SHARES AND RESALE OF TREASURY SHARES

During the financial year ended 30 April 2019, the Company had purchased an aggregate of 637,400 Hai-O shares on Bursa Securities at a total consideration of RM2,472,633 which are presently being held as treasury shares in accordance with the provisions of Section 127 of the Act. As at 30 April 2019, a total of 9,932,388 ordinary shares were held as treasury shares.

Information of the shares purchased by the Company during the financial year ended 30 April 2019 is set out on page 139 under Note 14.4 of the Financial Statements as contained in the Annual Report 2019.

The details of the purchases in the previous twelve (12 months) up to last practicable date, 8 August 2019 (“LPD”) is as follows:

Date	Total no. of shares purchased	Price (RM)		Average Price (RM)	*Total Consideration (RM)
		Lowest	Highest		
09.08.2018	7,200	4.31	4.35	4.34	31,367
10.08.2018	3,900	4.32	4.42	4.36	17,066
13.08.2018	3,600	4.37	4.42	4.39	15,868
14.08.2018	400	4.39	4.41	4.40	1,790
15.08.2018	3,400	4.39	4.44	4.41	15,066
16.08.2018	11,000	4.34	4.42	4.35	48,081
17.08.2018	3,300	4.35	4.38	4.35	14,434
20.08.2018	8,100	4.34	4.40	4.35	35,431
21.08.2018	5,200	4.32	4.36	4.33	22,641
23.08.2018	1,500	4.31	4.36	4.32	6,516
24.08.2018	4,000	4.36	4.39	4.38	17,613
27.08.2018	4,000	4.34	4.42	4.37	17,548
28.08.2018	3,300	4.35	4.37	4.35	14,436
29.08.2018	5,900	4.34	4.40	4.36	25,816
30.08.2018	2,100	4.37	4.39	4.37	9,222
03.09.2018	4,500	4.35	4.43	4.36	19,721
04.09.2018	7,900	4.33	4.37	4.34	34,452
05.09.2018	1,800	4.31	4.34	4.32	7,808
06.09.2018	9,900	4.30	4.35	4.30	42,806
07.09.2018	5,900	4.29	4.31	4.30	25,489
12.09.2018	7,200	4.12	4.15	4.13	29,850
13.09.2018	4,000	4.11	4.17	4.16	16,727
14.09.2018	2,300	4.16	4.19	4.17	9,644
27.09.2018	21,300	3.79	3.84	3.81	81,500
28.09.2018	2,600	3.76	3.80	3.77	9,842
25.10.2018	13,800	3.41	3.47	3.44	47,661
26.10.2018	15,400	3.42	3.48	3.44	53,258
29.10.2018	15,600	3.30	3.42	3.35	52,517
30.10.2018	12,900	3.22	3.30	3.28	42,463
31.10.2018	3,200	3.30	3.32	3.31	10,626
08.11.2018	10,800	3.33	3.37	3.34	36,278
09.11.2018	16,000	3.26	3.37	3.30	53,024
12.11.2018	11,700	3.21	3.29	3.24	38,029
13.11.2018	11,700	3.14	3.21	3.17	37,233
14.11.2018	7,000	3.08	3.18	3.13	22,034
15.11.2018	2,500	3.11	3.22	3.17	7,963
16.11.2018	7,000	3.19	3.20	3.20	22,487
19.11.2018	6,500	3.14	3.19	3.16	20,645
21.11.2018	7,300	3.08	3.13	3.09	22,670
22.11.2018	4,200	3.08	3.10	3.08	13,010
23.11.2018	4,800	3.08	3.10	3.09	14,893
26.11.2018	7,600	3.09	3.14	3.11	23,743
27.11.2018	11,500	2.99	3.10	3.03	35,055
28.11.2018	4,900	3.03	3.10	3.05	14,992
29.11.2018	7,900	3.01	3.10	3.03	24,044
30.11.2018	8,300	2.98	3.03	3.00	24,999
03.12.2018	11,500	2.94	3.00	2.99	34,502

Date	Total no. of shares purchased	Price (RM)		Average Price (RM)	*Total Consideration (RM)
		Lowest	Highest		
04.12.2018	7,700	2.98	3.00	2.99	23,156
05.12.2018	5,900	2.97	2.99	2.99	17,691
06.12.2018	5,700	2.99	3.01	2.99	17,143
07.12.2018	6,700	2.97	3.00	2.98	20,054
10.12.2018	2,800	2.97	2.99	2.97	8,363
12.12.2018	6,400	2.95	2.95	2.95	18,965
13.12.2018	7,500	2.93	2.95	2.95	22,187
14.12.2018	5,000	2.93	2.95	2.93	14,731
17.12.2018	8,800	2.87	2.93	2.90	25,604
18.12.2018	10,300	2.55	2.80	2.61	26,987
19.12.2018	3,500	2.56	2.60	2.58	9,062

\* Total consideration is inclusive of brokerage and clearing fees.

As at LPD, the Company held a total of 9,932,388 treasury shares.

The Company has not resold any treasury shares on Bursa Securities during the financial year ended 30 April 2019. There was no cancellation of treasury shares by the Company during the financial year ended 30 April 2019.

## 6. PUBLIC SHAREHOLDING SPREAD

Based on our Register of Substantial Shareholders and the Record of Depositors as at the LPD, the public shareholding spread of Hai-O is 68.04% of the issued share capital.

Assuming the Proposed Share Buy-Back is implemented in full, the public shareholding spread would be expected to be reduced to: -

- (i) 65.66% in the event all of the existing Treasury Shares are cancelled and none of the ESOS Options are exercised before the implementation of the Proposed Renewal of Share Buy-Back; and
- (ii) 65.72% in the event all the existing Treasury Shares are re-sold and all the 501,000 Outstanding ESOS Options under the 1st Tranche of ESOS granted are exercised before the implementation of the Proposed Renewal of Share Buy-Back.

(assuming the Hai-O Shares are purchased from public shareholders other than our existing Directors and substantial shareholders pursuant to the Proposed Share Buy-Back and the number of Hai-O Shares held by the Directors and the substantial shareholders of Hai-O and persons connected to them remain unchanged).

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Hai-O Shares as traded on the Main Market of Bursa Securities for the preceding 12 months are as follows:

Month and Year	Highest (RM)	Lowest (RM)
<b>2018</b>		
August	4.56	4.27
September	4.43	3.75
October	3.91	3.21
November	3.65	2.96
December	3.05	2.48
<b>2019</b>		
January	3.08	2.68
February	2.94	2.76
March	2.84	2.53
April	2.65	2.47
May	2.58	2.33
June	2.41	2.18
July	2.51	2.22

(Source: [www.investing.com](http://www.investing.com))

The last transacted price of Hai-O Shares on the LPD was RM2.18.

**8. IMPLICATION RELATING TO THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2016 (“CODE”)**

The Proposed Share Buy-Back is not expected to trigger any obligation to undertake a mandatory general offer pursuant to the Code as a result of the Proposed Share Buy-Back.

It is the intention of Hai-O to implement the Proposed Share Buy-Back in a manner that will not result in any of the shareholders of Hai-O having to undertake a mandatory take-over offer pursuant to the Code.

**9. DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS**

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacity as the shareholders of the Company as a consequence of the share movement pursuant to the Proposed Share Buy-Back, none of the directors and/or major shareholders of the Company and any person connected with the directors and/or major shareholders of the Company, have any interest, direct or indirect, in the Proposed Share Buy-Back, and in the resale of the treasury shares, if any.

**10. DIRECTORS’ RECOMMENDATION**

Your Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and its shareholders. Accordingly, your Board recommends that you vote in favour of the ordinary resolution in respect of the Proposed Share Buy-Back to be tabled at the forthcoming 44th AGM.

**11. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix A for further information.

## **APPENDIX A**

### **1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given in this statement. They confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

### **2. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection during normal office hours (except for Saturday, Sunday and public holidays) from the date of this Statement up to and including the date of the 44th AGM, at the registered office of our Company at Unit 621, 6th Floor, Block A, Kelana Centre Point, No. 3, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia:

- a) The Constitution of Hai-O; and
- b) Audited Financial Statements of Hai-O for the past two (2) financial years ended 30 April 2018 and 30 April 2019.

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED ADOPTION OF A NEW CONSTITUTION**

**PART B**



**HAI-O ENTERPRISE BERHAD**

(Company No. 22544-D)

(Incorporated in Malaysia)

**Registered Office:**

Unit 621, 6th Floor, Block A,  
Kelana Centre Point,  
No 3, Jalan SS7/19, Kelana Jaya,  
47301 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia.

27 August 2019

**Directors:**

Tan Kai Hee	Group Executive Chairman, Non-Independent
Tan Keng Kang	Group Managing Director, Non-Independent
Hew Von Kin	Group Executive Director cum Group Chief Financial Officer, Non-Independent
Chow Kee Kan @ Chow Tuck Kwan	Senior Independent Non-Executive Director
Soon Eng Sing	Independent Non-Executive Director
Tan Beng Ling	Independent Non-Executive Director
Chia Kuo Wui	Independent Non-Executive Director
Tan Kim Siong	Independent Non-Executive Director
Hajjah Ruhanas Binti Harun	Independent Non-Executive Director
Ng Chek Yong	Independent Non-Executive Director

**To: The Shareholders of Hai-O Enterprise Berhad**

Dear Sir / Madam,

**PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY**

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**1. INTRODUCTION**

The Company had on 25 June 2019 announced to Bursa Securities that we propose to seek the approval of the shareholders for the adoption of a new Constitution at the forthcoming AGM. The purpose of this Circular is to provide you with the relevant information on the Proposed Adoption of a New Constitution ("Proposed Adoption") and to seek your approval for the special resolution pertaining to the Proposed Adoption to be tabled at the forthcoming AGM of our Company to be held at Ballroom I, Level 2, The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, 55100 Kuala Lumpur on Thursday, 26 September 2019 at 11.30 a.m. as set out in the Annual Report 2019 sent together with this Circular.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED ADOPTION TO BE TABLED AT THE FORTHCOMING AGM OF THE COMPANY.**

**2. RATIONALE FOR THE PROPOSED ADOPTION**

The Proposed Adoption is primarily to streamline the Constitution to be in line with the Act, the Listing Requirements, the prevailing statutory and regulatory requirements as well as to update the existing Constitution of the Company, where relevant, to render consistency throughout in order to facilitate and further enhance administrative efficiency.

**3. EFFECTS OF THE PROPOSED ADOPTION**

The Proposed Adoption will not have any effect on the share capital, substantial shareholdings, Net Assets, gearing or earnings per share of the Group.

**4. DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST**

None of our Directors, Major Shareholders and/or Persons Connected with them has any interest, direct or indirect, in the Proposed Adoption.

**5. DIRECTORS' RECOMMENDATION**

Our Board is of the opinion that the Proposed Adoption is in the best interest of our Company and our shareholders. As such, our Directors recommend that you vote in favour of the special resolution for the Proposed Adoption to be tabled at the forthcoming AGM.

**6. AGM**

The special resolution pertaining to the Proposed Adoption is set out as Special Business in the Notice of the forthcoming AGM in the Company's Annual Report 2019, which is sent to you together with this Circular.

The forthcoming AGM will be held at Ballroom I, Level 2, The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, 55100 Kuala Lumpur on Thursday, 26 September 2019 at 11.30 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing, amongst others, the special resolution to give effect to the Proposed Adoption.

If you are unable to attend and vote in person at the forthcoming AGM, you may complete, sign and return the Form of Proxy enclosed in the Company's Annual Report 2019 in accordance with the instructions contained therein as soon as possible and in any event, so as to arrive at the Company' Share Registrar, Boardroom Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time fixed for the AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the forthcoming AGM should you subsequently wish to do so.

**7. FURTHER INFORMATION**

Shareholders are advised to refer to Appendices I and II in this Circular for further information.

Yours faithfully  
**For Hai-O Enterprise Berhad**

**Tan Kai Hee**  
Chairman

## **APPENDIX I**

### **FURTHER INFORMATION**

#### **1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

#### **2. MATERIAL LITIGATION**

As at the LPD, to the best knowledge of our Board, neither Hai-O nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board has no knowledge of any proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

#### **3. MATERIAL CONTRACTS**

Our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately prior to the printing of this Circular.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal office hours (except for Saturday, Sunday and public holidays) from the date of this Circular up to and including the date of the 44th AGM, at the registered office of our Company at Unit 621, 6th Floor, Block A, Kelana Centre Point, No. 3, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia:

- a) The Constitution of Hai-O; and
- b) Audited Financial Statements of Hai-O for the past two (2) financial years ended 30 April 2018 and 30 April 2019.



**THE COMPANIES ACT 2016  
MALAYSIA**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION  
OF  
HAI-O ENTERPRISE BERHAD  
(COMPANY NO. 22544-D)**

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**Incorporated on the 14th day of April 1975**

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**THE COMPANIES ACT 2016**  
**MALAYSIA**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**CONSTITUTION**  
**OF**  
**HAI-O ENTERPRISE BERHAD**

1. The name of the Company is HAI-O ENTERPRISE BERHAD.
2. The Registered Office of the Company will be situated in Malaysia.
3. Subject to the provisions of the Act and any other written laws and Constitution, the Company has full capacity to carry on or undertake any business or activity or to do any act or enter into any transactions and shall have the full rights, powers and privileges for the purposes of carrying out the businesses or activities, including but not limited to the following: -
  - (1a) To carry on the business of general merchants, importers, exporters, storers, storekeepers, factors, brokers, commission agents, removers and packers of and dealers in manufactured goods, machinery, materials, commodities, general merchandise, ores, metals, mineral substances and produce of all kinds and to import, export, buy, prepare, manufacture, render marketable, sell, barter, exchange, pledge, charge, make advances on and otherwise deal in or with or turn to account by wholesale or retail goods, machinery, materials, commodities, general merchandise, ores, metal, mineral substance and produce of all kinds.
  - (1b) To carry on business as brewers, distillers and manufacturers of, and merchants and dealers in beer, ale, porter, stout, wines, spirits, aerated waters, and liquors of every description, whether intoxicating or not, and of casks, bottles, and other receptacles for the same, and of malt, hops, grain, meal, yeast, and all other materials, and things capable of being used in connection with any such manufactures or businesses.
  - (1c) To carry on the business of dealers (whether by wholesale or retail) in all kinds of drugs, chemicals, acids, salts, alkalis, antibiotics, pharmaceutical, medicinal and chemical preparations, articles and compounds (whether of animal, vegetable or mineral origin) dyes, cosmetics, paints, pigments, oils, varnishes, resins, and synthetic and man-made materials and fabrics of whatsoever nature.
  - (2a) To carry on the business of magazines, periodicals, and journal proprietors, press agents, news agents, publishers, book sellers, book-binders, wholesalers and retail stationers fancy goods and leather goods dealers, and account book manufacturers.
  - (2b) To carry on all or any of the businesses of entertainment promoters, sports promoters, artistes' manager and artistes' personal representatives in all or any spheres of entertainment and sports.
  - (3) To carry on the business of advertising in all its branches by writing notices, signs, neon signs, display sound, radio, recording, broadcast or any other method whether as principal agents or contractor.
  - (4) To carry on the following businesses, namely iron masters, steel makers, iron and steel converters, smelters, iron founders, importers, exporters and manufacturers of and dealers in ores, metals, chemicals, fertilisers and other preparations, processes and articles, merchants, warehousemen, ship or boat builders, wharfingers, storekeepers, charterers of ships and other vessels, lightermen, stevedores, ship chandlers, agents, brokers, forwarding agents, bonded carmen and common carmen and contractors and caterers of all types of food, drinks and amusement, restaurant keepers, wine and spirit merchants or any other trade or business and or that of importers, exporters or any other trade or business and or that of importers, exporters of and traders and dealers in chemicals, fertilisers, farm equipments, cement, coal, charcoal, hardware, machinery, cutlery, glassware, earthenware, crockery, cloth, soft goods, provisions, liquors, tobacco, cigars, cigarettes and goods, wares, merchandise and manufactured goods and articles of all kinds and descriptions and as suppliers, outfitters, merchants, storekeepers, commission and insurance agents or whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or any auxiliary to the general business of the Company.
  - (5) To carry on the business of manufacturers, importers, exporters, wholesalers and retailers, buyers and sellers in poultry feeds, millers, cocoa mass, cake, chocolate and confectionery, cocoa butter, cocoa powder and any other cocoa products, grain and seed merchants, manufacturers of poultry and cattle food and feeding and fattening, preparations of every description, makers and manufacturers of artificial manures and fertilisers of every description, seed crushers and manufacturers of linseed, cotton, cocoa butter, oil palm, coconut and other cake oils, extractors by crushing chemical or otherwise hay, straw and fodder merchants, manufacturing chemist and druggists.
  - (6) To purchase, carry on, run the business of timber merchants, timber concessions, timber growers and sawmill proprietors and to buy, sell, grow, manipulate, export and deal in timber and wood of all kinds, furniture and articles of all kinds in the manufacture of which timber or wood is used and also the business of foresters, charcoal burners and charcoal dealers.

- (7) To undertake or direct or provide advisory and consultancy services to the management of the property, lands and estates of any tenure or kind, of any persons, whether members of the Company or not, in the capacity of stewards or receivers or advisors or consultants otherwise.
- (8) To purchase and sell or otherwise deal in on behalf of any persons freehold or other house property, buildings or lands or any other interest or interests therein, and to transact or commission or otherwise the general business of land, house and real estate agents.
- (9) To carry on the business of manufacturers of bricks, tiles, cement and asbestos products, pipes, pottery, earthenware, china and terra cotta and ceramic ware of all kinds and also to carry on the business of paviours and manufacturers of and dealers in artificial stones, whether for building, paving or other purposes.
- (10) To carry on the business of iron founders, and manufacturers of implements and other machinery tool-makers, brass founders, metal workers, boiler-makers, mill wrights, machinists, iron and steel converters, smiths, locksmiths, wood workers, builders, painters, metallurgists, gas makers, printers, carriers and merchants and to buy, sell, import, export, manufacture, repair, alter, convert, let on hire and deal in machinery, implements and hardware of all kinds and other provisions and things capable of being used in connection with building or metallurgical operation and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being carried on in connection with the above or otherwise calculated directly or indirectly to enhance the value of any of the property and rights of the Company.
- (11) To purchase, take on lease or sublease or in exchange or otherwise acquire (with or without the surface) any mines, mining ground and minerals, and any mining or water rights, grants, concessions and easements and any lands or other property necessary or convenient for the advantageous possession and use of the Company with any mines or works for the time being owned or worked by the Company in any part of the world.
- (12) To raise, crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate, separate and prepare for market, ores, metals and mineral substances of all kinds, and to carry on any other metallurgical operations which may seem conducive to any of the Company's objects and to buy, sell, manufacture and deal in minerals of all kinds.
- (13) To prospect for, search for, open, work, explore, develop and maintain tin, scheelite, wolfram, gold, silver, copper, precious stones, coal, iron, bitumen, petroleum, asphalt and all other mines, mineral and other rights, properties and works, and to carry on and conduct the business of dredging for tin and other ores, raising, crushing, washing, smelting, reducing and amalgamating ores, metals and minerals and to render the same merchantable and fit for use.
- (14) To buy, sell, lease or otherwise acquire the rights of search and other rights respecting the same or any or either of them.
- (15) To carry on any business relating to the winning and working of minerals, the production and working of metals, and the production, manufacture and preparation of any other minerals which may be usefully or conveniently combined with the business of the Company or any contracts undertaken by the Company and either for the purpose only of such contracts or as an independent business.
- (16) To buy, sell, manufacture and deal in minerals and mineral substances, plant, machinery, implements, conveniences, provisions and things capable of being used in connection with bituminous, mineralogical or metallurgical operations or required by workmen and others employed by the Company.
- (17) To carry on the business of mine owners, quarry owners, brick-makers, builders, contractors, merchants, importers and exporters, wharfingers, carriers, warehousemen, storekeepers, agents, and general merchants, and to buy and sell and deal in every commodity, substance and product.
- (18) To make, build, construct, provide, maintain, improve, carry on, use and work in any part of the world, roads, ways, railways, tramways, telegraph lines, telephones, electric light, canals, reservoirs, waterworks, wells, aqueducts, water-courses, pipe lines, furnaces, gas works, piers, wharves, docks, saw and other mills, hydraulic works, factories, warehouses, boats and other works and buildings which may be deemed expedient for the purpose of the Company, and to contribute to the cost of making, building, constructing, providing, carrying on, using and working the same.
- (19) To acquire by purchase or otherwise for the business of the Company any manufactories, buildings, mills, plant, engines, machinery or other things, and to erect and maintain or reconstruct and adapt manufactories, buildings, mills, plant, engines, machinery and other things found necessary or convenient for the purpose of the Company.
- (20) To employ and pay expert agents and other persons, partnerships, companies or corporations, and to organise, equip and despatch expeditions for prospecting, exploring and reporting on, surveying, working and developing lands, farms, districts, territories and properties in any part of the world, whether the same are the property of the Company or otherwise, and to colonize and assist in the colonization of the said lands, farms, districts, territories and properties, and to make advances to and pay for or contribute to the expenses of and otherwise assist any person or Company prospecting, acquiring, settling, farming, building on, mining or otherwise developing the said lands, farms, districts, territories and properties, desirous of so doing.

- (21) To clear, drain, reclaim, plant, replant, graze, farm, cultivate, maintain, build upon, render accessible and otherwise improve or develop any lands or hereditaments and to mine, work, win, get, render merchantable, turn to account and deal with any substances in or under or near to any land of the Company, and timber on such lands.
- (22) To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
- (23) To purchase, take on lease or in exchange, hire or otherwise acquire any property real or personal, immovable or movable and any rights or privileges which the Company may think necessary or convenient for the purpose of its business or may enhance the value of any other property of the Company and in particular any land, buildings, easements, machinery, plant and stock-in-trade.
- (24) To build, construct, alter, maintain, enlarge, pull down, remove or replace, and to work, manage and control any buildings, offices, factories, churches, chapels, schools, mills, shops, machinery, engines, roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, water-courses, wharves, electric works and other works and conveniences which may seem calculated directly or indirectly to advance the interest of the Company, and to join with any other person or company in doing any of these things.
- (25) To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets d' invention, trade marks, designs, licences, concessions, and the like conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired and to expend money in experimenting upon testing or improving any such patents, invention or rights.
- (26) To acquire and undertake the whole or any part of the business, property, and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorised to carry on, or possessed of property suitable for the purpose of the Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (27) To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint-venture or reciprocal concession, or for limiting competition with any person or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engaged in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (28) To improve, manage, develop, grant rights or privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company.
- (29) To vest any property, real or personal, immovable or movable rights or interest acquired by or belonging to Company in any person or company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
- (30) To subscribe for, take or otherwise acquire and hold shares, stock, debentures or other securities of any other company having objects altogether or in part similar to those of the Company or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company.
- (31) To invest and deal with the moneys of the Company not immediately required in any manner.
- (32) To lend and advance money or give credit to any person or company, to guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company, to secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company, to mortgage, pledge, charge or encumber in any way its lands, properties or assets for the purpose of securing repayment of loans made to any person or company by any person or company, and otherwise to assist any person or company.
- (33) To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future) including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be.
- (34) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

- (35) To apply for, promote and obtain the passing of any Ordinance or Enactment, charter, privilege, concession, licence or authorisation of any government, state or municipality, provisional order or licence or other authority for enabling the Company to carry on any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the Company or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interest of the Company.
- (36) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise or any person or company that may seem conducive to the objects of the Company or any of them and to obtain from any such government, authority, person or company any rights, privileges, charters, licences and concessions which the company may think desirable to obtain and to carry out, exercise and comply therewith.
- (37) To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital including brokerage and commission for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
- (38) To pay for any land or rights or other property acquired by the Company and to remunerate any person or Company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
- (39) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, or emoluments to, and persons who are or were at any time in the employment of services of the Company, or of any Company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependents of any such persons, and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and to do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid.
- (40) To procure the Company to be registered or recognised in any part of the world outside Malaysia.
- (41) To establish or promote or concur in establishing or promoting any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem calculated directly or indirectly to benefit the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other Company.
- (42) To sell, lease, mortgage or otherwise dispose of the land and other property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, stock, debentures or other securities of any other Company whether or not having objects altogether or in part similar to those of the Company.
- (43) To act as agents or brokers and as trustees for any person or Company and to undertake and perform sub-contractors and to do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or jointly with other, and either by or through agents, sub-contractors, trustees or otherwise.
- (44) To promote any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem calculated directly or indirectly to benefit this Company.
- (45) To apply for and obtain any provisional orders of any Government Departments or Ministry for any of the purposes within the objects of the Company.
- (46) To insure with any Company or person against losses, damages, risks and liabilities of all kinds which may affect this Company.
- (47) To distribute any of the property of the Company in specie among the members.
- (48) To remunerate any person or Company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- (49) To make donations for patriotic or for charitable purposes.
- (50) To transact any lawful business in aid of Malaysia in the prosecution of any war or hostilities in which Malaysia is engaged.

And it is hereby declared that: -

- (i) the word “Company” in this clause except where used in reference to this Company shall be deemed to include any partnership or other body of persons whether incorporate or unincorporate and whether domiciled in Malaysia or elsewhere; and
- (ii) the objects specified in each of the paragraphs of this clause shall be regarded as independent objects and accordingly shall in no wise be limited or restricted (except where otherwise expresses in such paragraphs) by reference to or inference from the terms of any other paragraphs (or the name of the Company) but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct Company.

4. The liability of the members is limited.

5. **Definitions and interpretation**

5.1 In this Constitution, unless there be something in the subject or context inconsistent therewith, words or expression shall have the respective meanings ascribed thereto as follows:-

“Act” means the Companies Act, 2016 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.

“Auditors” means a person who has been approved as the Auditors under the Act and whose approval has not been revoked.

“Authorised Nominee” means a person who is authorised to act as nominee as specified under the Central Depositories Act and the Rules.

“Beneficial Owner” has the meaning ascribed thereto in the Central Depositories Act and does not include a nominee of any description.

“Board” means the Board of Directors for the time being of the Company.

“Central Depositories Act” means the Securities Industry (Central Depositories) Act 1991 and every statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.

“Chief Executive” means the chief executive of the Company for the time being, as defined in accordance with the Listing Requirements.

“Company” means Hai-O Enterprise Berhad (Company No: 22544-D) and by whatever name from time to time called.

“Constitution” means this Constitution as originally framed or altered from time to time by Special Resolution.

“Clause” means any provisions in this Constitution.

“Deposited Security” means a Security of the Company standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense.

“Depositor” means a holder of a Securities Account.

“Depository” means Bursa Malaysia Depository Sdn. Bhd. and its successors-in-title.

“Directors” means the Directors for the time being of the Company and unless otherwise stated, include their duly appointed alternates.

“Electronic Address” means any address or number used for the purposes of sending or receiving documents or information by electronic means.

“Electronic Communication” means references to delivery of documents or information in electronic form by electronic means to the Electronic Address or any other address or number of the addressee, as permitted by the law.

“Employees’ Share Option Scheme (ESOS)” means Share Issuance Scheme and/or Share Grant Scheme as defined in accordance with the Listing Requirements.

“Exchange” means Bursa Malaysia Securities Berhad or such other stock exchange on which the Company is listed or approved to be listed.

“Exempt Authorised Nominee” means an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.

“in writing” or “written” means and includes words printed, lithographed, photographed, typed, represented or reproduced in any mode in a visible form, whether sent or supplied in electronic form or otherwise.

“Listing Requirements” means Listing Requirements of the Exchange including any amendment to the Listing Requirements that may be made from time to time.

“Major Shareholder” means a major shareholder as defined under the Listing Requirements.

“Market Day” means a day on which the stock market of the Exchange is open for trading in securities.

“Member” or “Shareholder” or “Holder of Shares” or any like expression means any person/persons for the time being holding one or more shares in the Company and whose name appears in the Record of Depositors, including a Depositor who will be treated as if he was a Member pursuant to Section 35 of the Central Depositories Act but excluding the Depository or its nominee company in its capacity as a bare trustee.

“month” means calendar month.

“the Office” means Registered Office for time being of the Company.

“Ordinary Resolution” means a resolution which has been passed by a simple majority of more than half of such Members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy.

“Record of Depositors” means a record provided by the Depository to the Company pursuant to an application under the Rules.

“Register of Members” means the Register of Members to be kept pursuant to the Act and includes, where applicable, the Record of Depositors of the Company.

“Rules” means the Rules of the Depository, including any amendment that may be made from time to time.

“Seal” means the Common Seal of the Company.

“Secretary” means any person or persons appointed to perform the duties of secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.

“Securities Account” means an account established by the Depository for a Depositor for the recording of deposit of Securities and for dealing in such Securities by the Depositor.

“Securities” means securities as defined in Section 2(1) of the Capital Markets and Services Act, 2007 or any modification, amendment or re-enactment thereof for the time being in force.

“Special Resolution” means a resolution which has been passed by a majority of not less than seventy-five per centum (75%) of such Members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy.

Words importing the singular number only include the plural number and vice versa.

Words importing masculine gender only include the feminine and neuter genders and the word “person” shall include a corporation.

Save as aforesaid, any words or expressions contained in this Constitution shall where the context so admits be interpreted in accordance with the provisions of the Interpretation Acts 1948 and 1967, the Act, the Central Depositories Act, the Rules and the Listing Requirements, as amended from time to time and any re-enactment thereof.

6. **Third Schedule.** The provisions set out in the Third Schedule of the Act shall not apply to the Company except in so far as the same are repeated in this Constitution.

## SHARES

7. **Class of shares.** The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.
8. **Issue of Shares.** The Directors may allot or otherwise dispose of the same to such persons and on such terms and conditions with such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, return of capital and at such time or times and for such consideration as the Directors may think fit, PROVIDED ALWAYS THAT:-
  - (a) no shares shall be issued including any issue from convertible securities which shall have the effect of transferring a controlling interest in the Company without prior approval of Members in meeting of Members;
  - (b) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution or in the terms of issue of such shares including such of those shares arising from convertible securities;
  - (c) except in the case of an issue of shares on a pro-rata basis to all Members, every issue of shares to employees, Directors, Major Shareholders, Chief Executive or persons connected with any Director, Major Shareholder or Chief Executive of the Company shall be approved in accordance with the requirements of the Act and/or other applicable laws and regulations.
9. **Purchase by the Company of its own shares.** Subject to the provisions of the Act and/or any other applicable law and any rules, regulations and guidelines thereunder issued by the Exchange and any other relevant authority, the Company, may with the sanction of an ordinary resolution of shareholders in a meeting of Members, purchase its own shares and make payment in respect of the purchase and/or give financial assistance to any person for the purpose of purchasing its own shares on such date(s), terms and manner as may be determined from time to time by the Directors. Any shares in the Company so purchased by the Company shall be dealt with in accordance with the Act and/or any other applicable law or requirements of any other relevant authority.
10. **New issue of Securities to be credited to Securities Account.** All new issues of Securities for which listing is sought shall be by way of crediting the Securities Accounts of the allottees or entitled persons with such Securities with the Depository, save and except where the Company is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall similarly be exempted from compliance with this provision.
11. **Power to pay commission and brokerage.** The Company may exercise the powers of paying commission conferred by the Act, provided that the rate of the commission and the number of shares which a person has agreed for a commission to subscribe shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of ten per cent (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per cent (10%) of that price, whichever is lesser. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
12. **Power to charge interest on capital.** If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest or returns on the amount of such share capital as is for the time being paid-up and may charge the interest or returns to share capital as part of the cost of the construction or provision.
13. **Trust not to be recognised.** Except as required by law and the Central Depositories Act, no other person (other than persons, whether body corporate or otherwise, holding any share upon any trust for the Government) shall be recognised by the Company as holding any share or Securities upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent future, or partial interest in any shares or Securities or unit of a share or Securities or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share or Securities except an absolute right to the entirety thereof of the registered holder.
14. **Issuance of Preference Shares.** Subject to the Act, any preference share may with the sanction of an ordinary resolution of shareholders in a meeting of Members, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed, and the Company shall not without the consent of the existing preference shareholders at a class meeting issue further preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith.



15. **Rights of preference shareholders.**
- (a) Preference shareholders shall have the right to attend and vote at any meeting convened for the purpose of sanctioning:
    - (i) a resolution or proposal where the dividend or part of the dividend on the preference shares which is in arrears for more than six (6) months;
    - (ii) a proposal to reduce the capital of the Company;
    - (iii) a proposal for the disposal of the whole of the Company's property, business and undertaking;
    - (iv) a proposal or resolution which affects the rights and privileges attached to the preference share; and
    - (v) a proposal to wind up the Company and any other proposals during the winding-up of the Company.
  - (b) Preference shareholders shall have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending meetings of the Company.
16. **Payment of shares by instalments.** If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal personal representative but this provision shall not affect the liability of any allottee who may have agreed to pay the same.
17. **When Members' rights exercisable.** No person shall exercise any rights of a Member until his name shall have been entered in the Register of Members or Record of Depositors, as the case may be.
18. **Who may be Members.** Shares may be registered in the name of an incorporated company or other corporate body but not in the name of a minor or a person of unsound mind or who is insolvent.

#### **MODIFICATION OF CLASS RIGHTS**

19. **Modification of class rights.** If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than seventy-five per centum (75%) of the total voting rights of the holders of the shares in the class, or with the sanction of a special resolution passed by shareholders of that class sanctioning the variation. To every such separate meeting of Members, the provisions of the Constitution relating to meeting of Members shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons holding at least or representing by proxy, one-third of the number of issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.
20. **Alteration of rights by issuance of new shares.** The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects pari passu therewith.

#### **SHARE CERTIFICATES**

21. **Share Certificate.** The certificates of title to share, stock, debentures, debenture stock, notes and other securities shall be issued under the seal of the Company in such form as the Directors may from time to time prescribe provided that such certificates shall comply with all security features, size and other requirements prescribed by the Exchange and all such certificates shall be signed by a Director and the Secretary or in lieu of the Secretary by such other person as the Directors may appoint for the purpose. It shall be sufficient evidence that the seal has been duly affixed to any such certificate and signed as aforesaid if an autographic or facsimile of the signatures of the aforesaid authorised persons appears thereon.
22. **Entitlement to share certificate.**
- (a) Every Member shall be entitled to receive share certificate (in respect of shares that are not Deposited Securities) in accordance with the Act.
  - (b) No Member is entitled to a certificate in respect of any Deposited Security except in accordance with the Central Depositories Act and the Rules and any applicable law.
  - (c) The Depository or its nominee company shall be entitled to receive jumbo certificate(s) in denominations requested by the Depository or its nominee company for shares that are Deposited Securities.
23. **Allotment of Securities, despatch of notices/certificates etc.** The Company shall duly observe and comply with the provisions of the Act and the requirements from time to time prescribed by the Exchange applicable to any allotment of its shares or Securities and deliver to the Depository the appropriate certificates in such denominations as may be specified by the Depository registered in the name of the Depository or its nominee company.

24. **Information of Shareholding.** The Company may by notice in writing require any Member within such reasonable time as is specified in the notice:-
- (a) to inform the Company whether he holds any voting shares in the Company as beneficial owner or as trustee; and
  - (b) If he holds the voting shares as trustee, to indicate so far as he can the persons for whom he holds the voting shares by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.
25. **The Company may require any information of beneficial interest.** Where the Company is informed in pursuance of a notice given to any person under Clause 24 hereof or this Clause that any other person has an interest in any of the voting shares in the Company, the Company may by notice in writing require that other person within such reasonable time as is specified in the notice:-
- (a) To inform the Company whether he holds that interest as beneficial owner or as trustee; and
  - (b) If he holds the voting shares as trustee, to indicate so far as he can the persons for whom he holds such interest by name and by other particulars sufficient to enable them to be identified and the nature of their interest.

#### **TRANSFER OF SECURITIES**

26. **Transfer of securities.** The transfer of any listed Securities or class of listed Securities of the Company which have been deposited with the Depository shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Securities.
27. **Suspension of Registration.** Subject to the provisions of the Act, the Depositories Act, the Rules and the Listing Requirements, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine PROVIDED ALWAYS that such registration shall not be suspended for more than thirty (30) days in aggregate in any year. At least ten (10) clear Market Days' notice (or such other period as may from time to time be prescribed by Bursa Securities) prior to such closure shall be published in a daily newspaper circulating in Malaysia and shall also be given to Bursa Securities. The said notice shall state the period and purpose or purposes of such closure. The Company shall give notice in accordance with the requirements of the Rules to the Depository to prepare the appropriate Record of Depositors.
28. **Refusal to register transfer.** The Depository may refuse to register any transfer of Deposited Security that does not comply with the Depositories Act and the Rules.
29. **Indemnity.** Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of the Depository in registering or acting upon a transfer of securities apparently made by a Member or any person entitled to the securities by reason of death, bankruptcy or insanity of a Member although the same may by reason of any fraud or other causes not known to the Company or the Directors or the Depository or other officers be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor Member and the transferee be liable to be set aside and notwithstanding that the Depository or the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor Member in the blank as to the name of the transferee, of the particulars of the securities transferred or otherwise in defective manner.
30. **Renunciation.** Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any security by the allottee thereof in favour of some other person.

#### **DISPOSAL OF SHARES OF MEMBERS WHOSE WHEREABOUTS UNKNOWN**

31. (i) Subject to the provisions of the Central Depositories Act and the Rules, where by the exercise of reasonable diligence the Company is unable to discover the whereabouts of a Member for a period of not less than ten (10) years, the Company may cause an advertisement to be published in a newspaper circulating in the place shown in the Register or the Record of Depositors as the address of the Member stating that the Company after expiration of thirty (30) days from the date of the advertisement intends to transfer the shares to the Minister charged with responsibility for finance.
- (ii) If after the expiration of thirty (30) days from the date of the advertisement the whereabouts of the Member remains unknown, the Company may transfer the shares held by the Member in the Company to the Minister charged with responsibility for finance and for that purpose may execute for and on behalf of the Member a transfer of those shares to the Minister charged with responsibility for finance.

## CALLS ON SHARES

32. **Directors may make calls.** The Directors may from time to time make calls upon the Members in respect of any money unpaid on their shares and not by the conditions of allotment thereof made payable at fixed date, provided that no call shall exceed one-fourth (1/4) of the issued price of the share or be payable less than thirty (30) days from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the date, time and place of payment) pay to the Company the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
33. **Effective date of call.** A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and such resolution may authorise the call to be paid by instalments. No shareholder shall be entitled to receive any dividend or to exercise any privilege as a Member, until he shall have paid all calls for the time being due and payable on every share held by him, together with interest and expenses (if any).
34. **Interest on unpaid calls.** If a sum called in respect of shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due, shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight per cent (8%) per annum or such other rate as the Directors may determine, but the Directors shall be at liberty to waive payment of the interest, wholly or in part.
35. **When calls deemed made.** Any sum which by the terms of issue of a share is payable on allotment or any fixed date, shall for the purposes of this Constitution be deemed to have been duly called for and shall be payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise, shall apply as if the sum had become payable by virtue of a call duly made and notified.
36. **Difference in Calls.** The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

If, by the condition of allotment of any share, the whole or part of the amount or issue price thereof shall be payable on fixed dates and every such amount shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the holder of the share.

37. **Capital paid in advance of calls.** The Directors may, if they think fit, receive from any Member willing to advance payment, all or any part of the money uncalled and unpaid upon any shares held by him, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) eight per cent (8%) per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Such capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Except in liquidation, capital paid in advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up on the shares in respect of which they have been paid.
38. **No rights of membership when calls unpaid.** No Member shall be entitled to receive any dividend or exercise any privilege as a Member in respect of any share upon which calls or instalments are due and unpaid.

## LIEN

39. **Company to have lien in priority.** The Company shall be entitled to a lien, in priority to any other claim, over a partly paid issued share and any dividend payment on such share, for all money due by the Member to the Company by way of money called or payable at a fixed date. The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.
40. **Enforcement of lien.** The Company may sell any share over which the Company has a lien in a manner as the Directors consider appropriate. Such sale of shares by the Company shall not be made unless a sum in respect of which the lien exists is presently payable and until the expiry of fourteen (14) days from a written notice, stating and demanding payment of such part of the amount in respect of which the privilege or lien exists as is presently payable has been given to the registered holder for the time of the share, or the person entitled to the share by reason of the death or bankruptcy of the registered holder.
41. **Transfer on sale.** For the purposes of giving effect to such sale, the Directors may authorise a person to transfer the shares sold to the purchaser of the shares who shall be registered as the Member comprised in any such transfer and the Directors shall not be bound to see the application of the purchase money. The title of the purchaser to the share sold shall not be affected by any irregularity or invalidity in the proceedings relating to the sale.
42. **Application of proceeds of sale.** All monies received on any such sale shall after payment of any prior encumbrances, be applied in payment of all costs of such sale and of any attempted sale and secondly in payment of all monies charged on the shares by virtue of such lien and presently payable and subject to such payment, the balance (if any) shall be paid to the person who was entitled to such shares immediately prior to the date of such sale or his executors, administrators or assignees or as he directs.

## FORFEITURE OF SHARES

43. **Notice for call unpaid.** If a Member fails to pay any call or instalment of a call on the date stipulated for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
44. **Form of notice.** The notice shall name a further date on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the specified date the shares in respect of which the call was made will be liable to be forfeited.
45. **Forfeiture for non-payment.** If the requirements of any such notice as aforesaid are not complied with by the date specified therein, any share in respect of which the notice has been given shall be forfeited by a resolution of the Directors to that effect unless the payment as required by such notice has been made before the resolution. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
46. **Forfeited share.** A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
47. **Liability on forfeiture.** A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all money which, at the date of forfeiture, was payable by him to the Company in respect of the shares (together with interest or compensation at the rate of 8 per cent per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of such interest or compensation), but his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.
48. **Statutory declaration as conclusive evidence.** A statutory declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
49. **Title of purchaser of forfeited shares.** The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of (including where appropriate, by giving and signing such instructions and documents as required under the Central Depositories Act or the Rules (in the name of the Member whose shares are being or have been sold) to the Depository for the purposes of authorising and effecting the book-entry of the shares sold as Deposited Securities to the purchaser and/or doing all such acts, deeds and things as may be necessary to give full effect to the sale) and he shall thereupon be registered as the holder of the share, and he shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share. Subject to any lien for sums not presently payable, if any, any residue of the proceeds of sale of shares which are forfeited and sold or disposed of, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses, shall be paid to the person entitled to the shares immediately before the forfeiture thereof or his executors, administrators, or assignees or as he directs.
50. **Application of forfeiture provisions.** The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed date, as if the same had been payable by virtue of a call duly made and notified.

## TRANSMISSION OF SHARES

51. **Transmission on death of Member.** In case of the death of a Member, the persons recognised as having any title to his interest in the shares or debentures shall be the legal personal representative, but nothing herein contained shall release the estate of the deceased Member from any liability in respect of any share or debenture held by the deceased Member.
52. **Death or bankruptcy of a Member.** Any person becoming entitled to a security in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required under the Act and/or the Rules and subject as hereinafter provided, elect either to be registered himself as holder of the security or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in accordance with the provisions of written law, have the same right to decline or suspend registration as they would have had in the case of a transfer of the security by that Member before his death or bankruptcy. Provided always that where the security is a Deposited Security, subject to the Rules, a transfer or withdrawal of the securities may be carried out by the person so becoming entitled.
53. **Notice of election.** If any person so becoming entitled elects to register himself, he shall deliver or send to the Company and Depository, a notice in writing signed by him and stating that he so elects, provided that where the security is a Deposited Security and the person becoming entitled elects to have the security transferred to him, the aforesaid notice must be served by him on the Depository. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the security. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of securities shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

54. **Person entitled may receive dividends etc.** Where a Depositor holding any Deposited Securities dies or becomes bankrupt, his personal representative or the assignee or his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors and/or the Depository in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the Depositor would have been entitled to if he had not died or become bankrupt.

55. **Transmission of securities from other stock exchange.**

Where:

- (a) the securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the Registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

#### ALTERATION OF CAPITAL

56. **Alteration of Share Capital.** The Company may alter its share capital in any one or more of the following ways by passing an ordinary resolution to-

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or
- (c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

57. **Power to reduce capital.** The Company may by special resolution or as provided by the Act reduce its share capital, in any manner and with, and subject to, any authorization, and consent required by law.

#### INCREASE OF CAPITAL

58. **Power to increase capital.** The Company may from time to time by Ordinary Resolution whether all the shares for the time being issued have been fully called up or not, increase its capital by the creation and issue of new shares, with such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company in such meeting of Members directs and such new shares or any of them may have such preference or priority over the then existing shares of the Company and that such rights and privileges be different from those of such existing shares as the Directors may think fit.

59. **Offer of new shares.** Subject to any direction to the contrary that may be given by the Company in a meeting of Members, any new shares or other convertible securities shall before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares or other convertible securities to which they are entitled. The offer shall be made by notice specifying the number of shares or other convertible securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or other convertible securities offered, the Directors may dispose of those shares or other convertible securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or other convertible securities bear to shares or other convertible securities which (by reason of the ratio which the new shares or other convertible securities bear to shares or other convertible securities held by persons entitled to an offer of new shares or other convertible securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

60. **New capital to be considered as part of the present share capital.** Except so far as otherwise provided by the conditions of issue, or by the provisions of this Constitution, any share capital raised by the creation of new shares shall be considered as part of the share capital of the Company after such creation, and such new shares shall rank pari passu with shares issued prior to such creation.

## CONVERSION OF SHARES INTO STOCK

61. **Company may convert shares into stock.** The Company may by ordinary resolution convert any paid up shares into stock and reconvert any stock into paid up shares of any number.
62. **Holders of stock may transfer their interest.** The holders of stock may transfer the same or any part thereof in the same manner as the transfer of shares from which the stock arose may, before the conversion, have been transferred or be transferred in the closest manner as the circumstances allow. The Directors may fix the minimum amount of stock transferable and may restrict or forbid the transfer of fractions of that minimum.
63. **Participation in dividends and profits.** The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as would have been conferred by the shares from which the stock arose, but so that none of such rights, privileges or advantages, (except participation in dividends and profits of the Company and in assets on a winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such privileges or advantages.
64. **Application of provisions.** All such provisions of this Constitution as are applicable to paid-up shares shall apply to stock and in all such provisions the word "share" shall include "stock", and the words "shareholder" or "member" shall include "stockholder".

## MEETING OF MEMBERS

65. **Annual General Meeting.** The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year within six (6) months of the Company's financial year end, and not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next, but so long as the Company holds its first annual general meeting within eighteen (18) months of its incorporation, it need not hold it in the year of its incorporation or in the following year.
66. **Power to convene meeting of Members.** A meeting of Members may be convened by the Directors whenever they think fit. In addition, a meeting of Members may be convened on such requisition as provided by Sections 310 and 311 of the Act.
67. **Requisitionists may convene meeting of Members.** If the Directors do not convene the meeting in accordance with Clause 66, the Members who requisitioned the meeting, may call for the meeting in the manner provided in Section 313 of the Act. Any meeting convened by the requisitionist shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.
68. **Venue of meeting of Members.**
  - (i) The main venue of all meetings of Members and annual general meetings shall be within Malaysia at such time and place as the Board shall determine. The Chairman shall be present at that main venue of the meeting.
  - (ii) The Company may convene a meeting of Members at more than one (1) venue using any technology or method that enables the Members of the Company to participate and to exercise the Members' right to speak and vote at the meeting.
  - (iii) If the Company decides to proceed with the meeting of Members in accordance with Clause 68(ii), a Member present at the separate meeting venue is taken to be present at the meeting of Members and entitled to exercise all rights as if he was present at the main venue if a separate meeting venue is linked to the main venue of a meeting of Members by an instantaneous audio-visual communication device facilities which, by itself or in conjunction with other arrangements:
    - (a) gives the general body of Members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place; and
    - (b) enables the Members in the separate meeting venue to vote on a poll.
69. **Notice of Annual General Meeting and meetings of Members.**
  - (a) Subject to the provisions of the Act relating to agreements for shorter notice, at least 21 days' notice in writing shall be given in the case of an Annual General Meeting or where any Special Resolution is proposed to be passed, and at least 14 days' notice in writing shall be given in the case of any other meetings of Members, to all Members (other than those who under the provisions of this Constitution or the terms of issue of the shares held by them are not entitled to receive notices of meetings of Members of the Company). Every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.
  - (b) There shall appear with reasonable prominence a statement that a Member entitled to attend and vote, is entitled to appoint proxy(ies) to attend, participate, speak and vote instead of him.
  - (c) The notice shall specify the place, date and time of the meeting and the general nature of business of the Meeting and may include text of any proposed resolution and other information as the Directors deem fit.

- (d) Any notice of meetings of Members called to consider special business must be accompanied by an explanatory note which contains the necessary information to enable a Member to make an informed decision.
70. **Record of Depositors.** The Company shall request the Depository in accordance with the Rules, to issue the Record of Depositors to whom notices of meetings of Members shall be given by the Company as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the meeting of Members (hereinafter referred to as “the General Meeting Record of Depositors”). Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a Member entitled to attend any meeting of Members and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.
71. **Omission to give notice.** Any accidental omission to give notice of any meeting of Members, or the non-receipt of the notice by, any person entitled to receive such notice shall not invalidate any resolutions passed or the proceedings at any such meeting.

#### PROCEEDINGS AT MEETINGS OF MEMBERS

72. **Quorum.** Two (2) Members personally present or by proxy or in the case of a corporation, by a representative duly authorised in that behalf shall be a quorum for a meeting of Members.
73. **Business at meetings.** Subject always to the provisions of the Act, no business shall be transacted at a meeting of Members except business of which notice has been given in the notice convening the meeting. An Annual General Meeting shall be held to transact the business in accordance with the Act, which include the laying of the audited financial statements and the reports of the Directors and Auditors, election of Directors in place of those retiring, appointment of Directors, fixing of Directors’ fees, appointment and fixing of the remuneration of Auditors, and declaration of dividend in accordance with the Act.
74. **Special business.** All business transacted at an Annual General Meeting, other than business stated in Clause 73, and all business transacted at a meeting of Members, shall be deemed special.
75. **No business without quorum.** No business shall be transacted at any meeting of Members unless a quorum of Members is present at the time when the meeting proceeds to business. For the purposes of constituting a quorum, one (1) or more representatives appointed by a corporation shall be counted as one (1) Member or one (1) or more proxies appointed by a person shall be counted as one (1) Member.
76. **Proceedings if no quorum.** If within half an hour from the time appointed for holding of a meeting of Members, a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next Market Day following that public holiday), at the same time and place, or to such other day, time and place as the Directors may determine, but if a quorum is not present at an adjourned meeting within half an hour from the time appointed for holding the adjourned meeting, the Members present shall be a quorum.
77. **Appointment of Proxy via Electronic Communication.**
- (i) Subject to the Act and the Listing Requirements, the Directors or any agent of the Company so authorised by the Directors, may accept the appointment of proxy received by Electronic Communication on such terms and subject to such conditions as they consider fit. The appointment of proxy by Electronic Communication shall be in accordance with this Clause and shall not be subject to the requirements of Clause 87.
  - (ii) For the purposes of this Clause, the Directors may require such reasonable evidence they consider necessary to determine and verify:
    - (a) the identity of the Member and the proxy; and
    - (b) Where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.
  - (iii) Without prejudice to Clause 77(i), the appointment of a proxy by Electronic Communication must be received at the Electronic Address specified by the Company in any of the following sources and shall be subject to any terms, conditions or limitations specified therein:-
    - (a) Notice calling the meeting;
    - (b) Instrument of proxy sent out by the Company in relation to the meeting; or
    - (c) Website maintained by or on behalf of the Company

- (iv) An appointment of proxy by Electronic Communication must be received at the Electronic Address specified by the Company pursuant to Clause 77(iii) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
  - (v) An appointment of proxy by Electronic Communication which is not made in accordance with this Clause shall be invalid.
78. **Chairperson of meeting of Members.** The Chairman of the Board or in his absence, the Deputy Chairman (if any) shall preside as Chairman at every meeting. If there is no such Chairman, or if at any meeting he is not present within half an hour after the time appointed for holding the meeting, or if he is unwilling to act a Chairman, the Directors present shall choose one (1) of the Directors present to be the Chairman, or if one (1) Director is present, he shall preside a Chairman if he is willing to act. If no director is present, or if each of the Directors present declines to take the chair, the Members present in person or by proxy or in the case of a corporation, by a representative duly authorised in that behalf and entitled to vote shall elect one (1) of their number present to be Chairman of the meeting. However, a proxy shall not be eligible for election as Chairman of the meeting.
79. **Chairman may adjourn meeting.**
- (i) The Chairman may, with the consent of the meeting at which a quorum is present and if so directed by the meeting shall, adjourn the meeting from time to time and from place to place.
  - (ii) Without prejudice to the generality of Clause 79(i), the Chairman of a meeting of Members may adjourn a meeting of Members to another time and place or interrupt or suspend the meeting of Members, in each case, without the consent of the meeting and without having to give any reason therefor, if it appears to him that:-
    - (a) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or
    - (b) an adjournment is otherwise necessary so that the business of the meeting may be properly convened.
  - (iii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
80. **Notice of adjourned meeting.** When a meeting is adjourned for twenty-one (21) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### VOTING

- 81. (a) **Voting on show of hands.** On a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares in the Company who is personally present or his proxy or attorney or duly authorised representative shall have one (1) vote.
  - (b) **Voting on a poll.** Subject to this Constitution and any rights or restrictions for the time being attached to any classes of shares, at meetings or class of meetings, each Member who is personally present or by proxy or by a duly authorised representative and entitled to vote shall have one (1) vote for every share held by him.
82. **Vote of Member of unsound mind.** A Member who is of unsound mind or whose person or estate is liable to be dealt with under the law relating to mental disorder may vote by his committee or by such other person who properly has the management of his estate and any such committee or other person may vote in person or by proxy or attorney.
83. **Representation of corporation.** Subject to Section 333 of the Act, any corporation which is a Member of the Company, may by resolution of Directors or other governing body authorise such person(s) to act as its representative(s) at any meeting of Members of the Company and a person so authorised shall in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it was an individual Member of the Company.
84. **How votes may be given.** Votes may be given either personally or by proxy or in the case of a corporation by a representative duly authorised.
85. **Form of proxy.** The instrument appointing a proxy shall be in such form as the Board may from time to time prescribe or approve subject to such variations or circumstances as the Act or the Listing Requirements may require.
86. **Instrument appointing proxy to be in writing.** Subject to the Act or other written laws, the instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to, require evidence of the authority under which the instrument was signed by any such attorney or officer.



87. **Instrument appointing proxy to be deposited.** The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office, or such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.
88. **Member barred from voting while call unpaid.** No Member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a Member nor be counted as one (1) of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid.
89. (a) **Proxy.** A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy and a proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
- (b) **Number of Proxies allowed.** A Member may not appoint more than two (2) proxies to attend the same meeting. Where the holder appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy. A proxy shall be entitled to vote on a show of hands on any question at any general meeting.
- (c) **Authorised Nominee.** Where a Member is an Authorised Nominee, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- (d) **Exempt Authorised Nominee.** Where a Member of the Company is an Exempt Authorised Nominee which 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 the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
90. **Voting by Poll.** Subject to any express requirements under the Listing Requirements, all resolutions put to vote at any meeting of Members shall be determined by poll unless such requirement is waived. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the Chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of Chairman or on a question of adjournment shall be taken immediately. The Company shall appoint at least one (1) scrutineer if so required under the Listing Requirements, for the purpose of verifying the results of the poll and may, in addition to the power of adjourning meetings as contained in this Constitution, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll. A declaration by the Chairman of the meeting whether a resolution has, on a poll, been carried or lost, based on the poll results obtained, shall be conclusive evidence of that fact.
91. **Method of voting where mandatory polling is not required.**
- (i) Where a requirement to determine a resolution put to vote at the meeting of Members by poll is waived under the applicable laws, a resolution put to the vote at any meeting of Members shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-
- (a) by the Chairman of the meeting;
- (b) by at least three (3) Members present in person or by proxy or in the case of a corporation, by a representative duly authorised in that behalf;
- (c) by any Member or Members present in person or by proxy or in the case of a corporation, by a representative duly authorised in that behalf and representing not less than one-tenth (1/10) of the total voting rights of all Members having the right to vote at the meeting; or
- (d) By a Member or Members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares held by all Members present in person or by proxy or in the case of a corporation, by a representative duly authorised in that behalf conferring that right.
- (ii) Unless mandatory polling is required under the applicable laws or a poll is so demanded in accordance with Clause 91(i), a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolutions.
- (iii) The demand for a poll may be withdrawn. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

92. (i) **Chairman to have casting vote.** In the case of an equality of votes, the Chairman of the meeting shall be entitled to have casting vote in addition to the votes to which he may be entitled as a Member.
- (ii) **Dispute in relation to the vote.** In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.
- (iii) **Error in vote count.** If any votes have been counted with ought not to have been counted or might have been rejected, the error shall not vitiate the results of the voting unless it be so pointed out at the same meeting or at any adjournment thereof, as the case may be, and in the opinion of the Chairman at the meeting or adjournment thereof it shall be of sufficient importance so as to vitiate the result of the voting.
- (iv) **Validity of a poll taken by a proxy.** A poll taken by a proxy shall, notwithstanding that it is exercised otherwise than in accordance with the instructions of the appointer, be valid and binding on the appointer, and the Company shall not be under any obligation to ensure or verify that a proxy voting at a meeting of Members shall vote or had voted in accordance with the instructions indicated in the instrument of proxies.
93. **Proxy valid notwithstanding previous death or revocation.** A vote given in accordance with the terms of the instrument of proxy shall be valid notwithstanding the previous death or unsoundness of mind of the Member or revocation of the proxy or power of attorney under which it is made or transfer of the share in respect of which the vote is given provided that no intimation in writing of the death, unsoundness of mind, revocation or transfer shall have been received at the Office before the commencement of the meeting or adjourned meeting at which the instrument is issued.
94. **Objection to qualification of voter.** No objection shall be raised on the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

#### DIRECTORS

95. **Number of Directors.** Unless otherwise determined by the Company in meeting of Members, the number of directors shall be not less than three (3) nor more than twenty (20). All Directors of the Company shall be natural persons. In the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum number, the remaining Directors or Director may, except in an emergency, act only for the purpose of filling up such vacancy or vacancies or of summoning a meeting of Members of the Company.
96. **Directors' qualification.** The shareholding qualification for Directors may be fixed by the Company in a meeting of Members and until so fixed, no shareholding qualification for Directors shall be required. All Directors shall be entitled to receive notice of and to attend all meetings of Members.
97. **Appointment by Board of Directors.** The Directors shall have power at any time to appoint any person as a Director either to fill a casual vacancy or an addition to the Board, but so that the total number of Directors shall not be increased beyond the maximum number hereinbefore prescribed. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.
98. **Director may hold any other office or place of profit.** Subject always to the Act and requirements of the Exchange, a Director may hold any other office or place of profit under the Company (other than the office of Auditors) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such office or place of profit or as vendor, purchaser or otherwise and any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested. Any Director so contracting or being so interested shall not be liable to account to the Company for any profit realised by any such contract or agreement by reason of such Director holding that office of the fiduciary relationship thereby established, but the nature and extent of his interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at the date of the meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he became so interested or, in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.
99. **Director not to participate or vote in contracts where he has an interest but shall be counted to make quorum.** No Director shall participate in any discussion nor vote in respect of any contract or arrangement or proposed contract or arrangement in which he is directly or indirectly interested (unless the interest is one that need not be disclosed under Section 221 of the Act), and if he should do so, his vote shall not be counted although notwithstanding his interest, he shall be counted only to make the quorum at the meeting of the Board.
100. **Notice of Disclosures.** Every Director shall give notice to the Company of such events and matters relating to himself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

101. **Right to payment for professional services.** Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditors of the Company.
102. **Directors may become Directors of other corporation.** A Director of the Company may be or become a Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as member or otherwise or any corporation which is directly and indirectly interested in the Company as member or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a Director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation, in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid.
103. **Remuneration of Director.** The Directors shall be paid for their services as follows:-
- (a) Directors who hold no executive office in the Company shall be paid fees by a fixed sum and not by a commission on or percentage of profits or turnover.
  - (b) Fees and benefits payable to Directors shall be subject to annual shareholders' approval at a meeting of Members. Such fees may be divided among the Directors in such proportions and manner as the Directors shall determine.
  - (c) Any fee paid to an Alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration paid to the latter.
  - (d) Salaries payable to Directors who hold an executive office in the Company may not include a commission on or percentage of turnover but may include a commission on or percentage of profits.
104. (a) **Reimbursement of expenses.** The Directors shall be paid all their travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or meeting of Members or which they may otherwise incur in connection with the business of the Company.
- (b) If any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company, he shall be entitled to receive such sum as the Directors may think fit either as a fixed sum by way of salary, allowances or as percentage of profits or otherwise but not a commission on or percentage of turnover and such remuneration may, as the Directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

#### **ALTERNATE DIRECTOR**

105. **Appointment or removal of an alternate director.** A Director may appoint any person (other than a Director) approved by a majority of the other Directors to act as his alternate Director and at his discretion by way of a notice to the Company, remove such alternate Director from office. An alternate Director may only be appointed as an alternate to one Director at any point in time. Any fee paid by the Company to an alternate Director shall be deducted from that Director's remuneration.

Any appointment or removal of an alternate Director may be made in writing and sent by hand, post, facsimile or in any other form or manner, electronic or otherwise, as approved by the Board.

106. **Cessation of appointment of an alternate Director.** If a Director making any such appointment as aforesaid shall cease to be a Director (otherwise than by reason of vacating his office at a meeting of Members at which he is re-elected), the person appointed by him as an alternate Director shall thereupon cease to be an alternate Director.
107. **Rights of an alternate Director.** An alternate Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors and shall be entitled to receive notices of all meetings of the Directors and to attend, speak and vote at any such meeting at which his appointor is not present.

An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.

## DISQUALIFICATION OF DIRECTORS

108. **Vacation of Office of Director.** The office of a Director shall be vacated if the person holding that office:-

- (i) becomes disqualified from being a Director under Section 198 or 199 of the Act;
- (ii) ceases to be or is prohibited from being a Director by virtue of the Act or Listing Requirements or applicable laws;
- (iii) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (iv) dies;
- (v) resigns from his office by notice in writing to the Company and deposited at the Office;
- (vi) is removed from office in accordance with the Act or this Constitution;
- (vii) has retired in accordance with the Act or this Constitution but not re-elected; or
- (viii) has been convicted in relation to the offences as follows:-
  - (a) by a court of law, whether within Malaysia or elsewhere, in connection with the promotion, formation or management of a corporation;
  - (b) by a court of law, whether within Malaysia or elsewhere, involving fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
  - (c) by a court of law, under the securities laws of corporations laws of the Company's place of incorporation;

within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

## CHIEF EXECUTIVE, MANAGING DIRECTOR AND/OR EXECUTIVE DIRECTORS

109. **Appointment and powers of Chief Executive, Managing Director and/or Executive Directors.** The Directors may from time to time appoint any one or more of their body to be the holder of any executive office or position, including but not limited to the office of Chief Executive, Managing Director by whatever name called or to the function of an Executive Director by whatever name called for such period and upon such terms as they think fit and may vest in each Chief Executive, Managing Director or Executive Director, as may be appointed by them such of the powers hereby vested in the Directors generally as they may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers as they think fit. The Chief Executive, Managing Director or Executive Director shall be subject to the control of the Board.
110. **Remuneration of Executive Officer.** The remuneration of Chief Executive, Managing Director and/or Executive Director given due to his office as executive or management position, if any, shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover.
111. **Resignation and removal of Executive Officer.** The Chief Executive, Managing Director and/or Executive Director, shall be subject to the same provisions as to retirement by rotation in accordance with this Constitution, resignation and removal as the other Directors of the Company and, if he ceases to hold the office of Director for any cause, he shall ipso facto and immediately cease to be Chief Executive, Managing Director or Executive Director, as the case may be.

## POWERS AND DUTIES OF DIRECTORS

112. **Powers and duties.** The business and affairs of the Company shall be managed by or under the direction of the Directors who may pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company required by the Act, the Listing Requirements or by this Constitution, to be exercised by the Company in meeting of Members, provided that if for any reason whatsoever the Board is unable to exercise any of its powers hereunder, in particular for the reason that all the Directors are to be regarded as interested in a particular matter, such powers may be exercised by the Company in meeting of Members.
113. **Limitation on Directors' Powers.** The Directors shall not without the prior approval of the Company in meeting of Members: -
- (a) exercise any power of the Company to issue shares unless otherwise permitted under the Act;
  - (b) unless otherwise permitted by the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director, to acquire from or dispose to such a Director or person, any shares or non-cash assets of the requisite value; or

- (c) execute any transaction for the acquisition of an undertaking or property of a substantial value or the sale or disposal of a substantial portion of the Company's main undertaking or property.

**114. Directors' borrowing powers.**

- (i) The Directors may exercise all the powers of the Company whatsoever to borrow money, raise funds, accept credit facilities and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any company as may be thought fit.
- (ii) The Directors may borrow or raise any such money as aforesaid, upon such terms and conditions in all respects as the Directors may think fit, upon or by the issue or sale of any bonds, debentures, debenture stocks or securities. The Company may in meeting of Members grant a right for the holders of bonds, debentures, debenture stocks or securities to exchange the same for shares in the Company or any class authorised to be issued. The Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage or a charge upon all or any part of the undertaking or property of the Company, both present and future and upon any capital remaining unpaid upon the shares of the Company, whether called up or not or by any other security and the Directors may confer upon any mortgages or persons in whom any debentures, debenture stock or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realisation thereof, or the making, receiving or enforcing of calls upon the Members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

115. **Power to maintain pension fund.** The Directors may establish or arrange any contributory or non-contributory pension or superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such person as aforesaid and make payments for or towards any hospital or scholastic expenses and any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in meeting of Members.

116. **Signing of cheques etc.** All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors from time to time by resolution determine.

117. **Use of seal abroad.** The Directors may exercise all the powers of the Company in relation to any official seal for use outside Malaysia and in relation to branch registers.

118. **Appointment of Attorneys.** The Directors may from time to time by power of attorney under Seal or such other manner authorised by the Act, appoint any corporation, firm or person or body of persons whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorises and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretion vested in him.

#### **RETIREMENT, ROTATION AND REMOVAL OF DIRECTORS**

119. **Rotation and retirement of Directors.** An election of Directors shall take place each year. At every annual general meeting one-third of the Directors or if their number is not a multiple of three then the number nearest to one-third shall retire from office and be eligible for re-election provided that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

120. **Which Directors to retire.** The Directors to retire in every year shall, subject nevertheless as hereinafter provided, be the Directors who have been longest in office since their last election, but as between persons who became Directors on the same day, the Director to retire shall, unless they otherwise agree among themselves, be determined by lot.

121. **Filling of vacancy.** The Company at the meeting at which a Director retires may fill the vacated office by electing a person thereto and in default thereof, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office or unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost. A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected.

122. **Notice of intention to appoint Directors.** No person, not being a retiring Director, shall be eligible for election to the office of Director at any meeting of Members unless a Member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the Office a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board shall be served on the registered holders of shares at least seven (7) days before the meeting at which the election is to take place. The cost of serving the notice as aforesaid on the registered holders of shares where the nomination is made by a Member, shall be borne by the Member making the nomination.
123. **Number may be increased or reduced.** The Company may from time to time in a meeting of Members increase or reduce the number of Directors, and determine in what rotation such increased or reduced number is to retire from office.
124. **Removal of Director.** The Company may by Ordinary Resolution at a meeting of which special notice has been given in accordance with Section 206 of the Act, remove any Director before the expiration of the Director's tenure of office notwithstanding any provision of this Constitution or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such contract, and may, if thought fit, by Ordinary Resolution of which special notice has been given, appoint any other person as a Director in his place. The person so appointed shall be treated, for the purpose of determining the time at which he or any other Director is to retire, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed a Director. In default of such appointment, the vacancy so arising may be filled by the Directors as a casual vacancy.

#### PROCEEDINGS OF DIRECTORS

125. **Quorum of Directors' Meeting.** The quorum necessary for the transaction of the business of the Directors shall be fixed by the Directors from time to time and unless so fixed, the quorum shall comprise two (2) Directors of the Company, and a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under this Constitution vested in or exercisable by the Directors generally.
126. **Notice of Directors' Meeting.** On the request of a Director, the Secretary shall at any time summon a meeting of the Directors by notice served upon every Director who is in Malaysia. Unless otherwise determined, seven (7) days' notice of every meeting of Directors shall be served on each Director entitled to receive the notice either personally or sending it through post at the last known address, or by Electronic Communication at the last known Electronic Address provided or to the address provided by the Director to the Company for purposes of communication with him. Any irregularity in the notice of meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without objection to the irregularity.
127. **Meetings of Directors by telephone conference, video conference, other Electronic Communication device etc.** Subject to the laws for the time being in force, all or any Members of the Board of Directors or any committee of the Board of Directors may participate in the meeting of the Board of Directors or committee of the Board of Directors (as the case may be) by means of a telephone conference, video conference or any other Electronic Communication device which allows all persons participating in the meeting to hear each other ("Communication Equipment"). A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote. Subject always that all provisions of this Constitution as to meetings of the Directors will apply to such meeting involving Communication Equipment and the following conditions must be fulfilled:-
- (a) At the commencement of the meeting each Director acknowledges his/her presence thereof to all the other Directors taking part;
  - (b) Each of the Directors taking part is able to be heard and hear each of the other Directors throughout the meeting subject as hereinafter mentioned;
  - (c) A director will be conclusively presumed to have been present and have formed part of the quorum throughout the meeting and may not leave by disconnecting the Communication Equipment unless he has obtained prior express consent from the chairman of the Meeting; and
  - (d) Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the chairman of the meeting then is.
128. **Chairman of Directors' Meetings.** The Directors may elect a Chairman and a deputy Chairman and determine the period for which they are to hold office but if no Chairman or Deputy Chairman is elected or if at any meeting of Directors, the Chairman or the Deputy Chairman (if any) is not present within thirty (30) minutes after the time appointed for holding the same, the Directors present shall choose one (1) of their number to be Chairman of such meeting.
129. **Chairman has casting vote.** Subject to the provisions of this Constitution, questions arising at any meeting shall be decided by a majority of votes of the Directors present, each Director having one (1) vote. In the case of an equality of votes, the Chairman shall have a second or casting vote provided always that the Chairman of a meeting at which only two (2) directors are present or at which only two (2) Directors are competent to vote on the questions at issue shall not have a second or casting vote.

130. **Remaining Directors may act notwithstanding vacancy.** The remaining Directors may continue to act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to this Constitution as the necessary quorum of meetings of Directors, the remaining Director(s) may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or of summoning a meeting of Members of the Company but not for other purpose.
131. **Committees of the Board.** The Board may delegate any of its power to Committees consisting of such member or members of its body as the Board thinks fit and any Committee so formed shall in the exercise of the powers so delegated conform to any terms or conditions that may be imposed on it by the Board. A Committee may elect a chairman of its meetings and may determine its own proceedings.
132. **Proceedings of Committee.** Subject to any terms or conditions imposed by the Board:-
- (a) A Committee may meet and adjourn its meetings and determine its own proceedings as its members think proper.
  - (b) Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote except where only two (2) members of the Committee are competent to vote on the question at issue or are the quorum at the meeting.
  - (c) The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions regulating the meetings and proceedings of the Committees as may be stated in their respective terms of reference or as may be determined by the Board from time to time.
133. **Validity of acts of Directors and Committee.** All acts done bona fide at any meeting of the Directors, or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were disqualified to be a Director, be as valid as if every such person had been duly appointed and qualified to be a Director.

#### DIRECTORS' CIRCULAR RESOLUTIONS

134. (a) A resolution in writing signed and/or assented to by any means of Electronic Communication by a majority of the Directors for the time being present in Malaysia being entitled to receive notice of a meeting of Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.
- (b) All such resolutions shall be described as "Directors' Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minute book and submitted for a confirmation at a meeting of the Directors next following the receipt thereof by him. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors.
- (c) The expressions "in writing" and "signed" include approval by legible confirmed transmission by facsimile or other written electronic communication.

#### AUTHENTICATION OF DOCUMENTS

135. **Authentication of documents.** Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the Constitution of the Company and any resolution passed by the Company or the Directors and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and, where any books, records, documents or accounts are kept elsewhere than in the Office, the local manager or other officer of the Company having custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.
136. **Conclusive evidence of resolutions and extract of minutes of meetings.** A document purporting to be a copy of a resolution of the Directors or any extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Clause 135, shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

#### MINUTES AND REGISTERS

137. **Minutes to be Entered.** The Directors shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all appointments of officers;
  - (b) of the names of all the Directors present at each meeting of the Directors and of any committee of Directors, local board or agency and of the Company in meeting of Members;

- (c) of all resolutions and proceedings of meetings of Members and of meetings of the Directors and committee of Directors, local board or agency; and
- (d) of all directions and orders made by the Directors and any committee of Directors, local board or agency.

Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be accepted as prima facie evidence without further proof of the facts stated therein.

- 138. **Particulars of Directors, Managers and Secretaries.** The Company shall in accordance with the provisions of the Act, keep at the Office, a register containing such particulars with respect to the Directors, Managers and Secretaries of the Company as are required by the Act, and shall from time to time notify the Registrar of the Company of any change in such register and of the date of change in manner prescribed by the Act.
- 139. **Minutes kept at Office.** The books containing the minutes of proceedings of any meeting of Members shall be kept by the Company at the Office or the principal place of business in Malaysia of the Company and shall be open to the inspection of any Member without charge.
- 140. **Registers to be kept.** The Company shall also keep at the Office, registers which shall be open to the inspection of any Member without charge and to any other person on payment for each inspection of a prescribed fee, all such matters required to be so registered under the Act, and in particular:-
  - (a) a register of substantial shareholders and of information received in pursuance of the requirements under Sections 56 and 144 of the Act; and
  - (b) a register of the particulars of each of the Directors' shareholdings and interests as required under Section 59 of the Act.

#### SECRETARY

- 141. (a) The Secretary or Secretaries shall in accordance with the Act be appointed by the Directors for such term and at such remuneration and upon such conditions as they think fit and any Secretary or Secretaries so appointed may be removed by the Directors without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company. The Directors may from time to time appoint a temporary substitute for the Secretary or Secretaries who shall be deemed to be the Secretary during the term of his appointment.
- (b) The office of the Secretary shall become vacated if the Secretary resigns by notice in writing to the Company, left at the registered office of the Company with copies lodged with the Directors for the time being at their last known addresses.
- (c) Where a Secretary gives notice of resignation to the directors, the Secretary shall cease to be the Secretary of the Company on the expiry of one (1) month from the date of the said notice.

#### SEAL

- 142. **Authority for use of Seal.** The Directors shall provide for the safe custody of the Seal which shall only be used pursuant to a resolution of the Directors or a committee of the Directors authorising the use of the Seal. The Directors may from time to time make such regulations as they think fit determining the persons and the number of such persons in whose presence the Seal shall be affixed and, until otherwise so determined, the Seal shall be affixed in the presence of at least one (1) Director and counter-signed by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose who shall sign every instrument to which the Seal is affixed and the Directors may by resolution determine either generally or in any particular case that the signature of any Director, the Secretary or such other persons appointed as aforesaid may be affixed or reproduced by facsimile, autographic or other mechanical means provided that the use of such is restricted to a certificate or other documents of title in respect of any share, stock, debenture or marketable security created or issued by the Company to be given under the Seal of the Company. The Company may exercise the powers of Section 62 of the Act, and such powers are accordingly hereby vested in the Directors.
- 143. **Share Seal.** The Company may also have an Official Seal pursuant to Section 63 of the Act.

#### ACCOUNTS

- 144. **Keeping and inspection of books of account.** The Directors shall cause proper accounting and other records to be kept whether in a legible or non-legible form and shall distribute copies of financial statements and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and other records of the Company or any of them, shall be opened to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right to inspect any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in meeting of Members. Subject always to Act, the books of account or records of operations shall be kept at the Office or at such other place as the Directors deem fit and shall at all times be open to inspection by the Directors.



145. **Presentation of accounts.** The Directors shall from time to time in accordance with Sections 248 and 252 of the Act cause to be prepared and laid before the Company in an annual general meeting such financial statements and directors' reports as required by the Sections. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements and the Directors' and Auditors' reports shall not exceed four (4) months. The circulation of financial statements and reports shall be at least twenty-one (21) days before the date of the Company's Annual General Meeting. The financial statements and reports may be circulated at a shorter period if it was agreed by all the Members entitled to attend and vote at the Annual General Meeting.
146. **Auditors.** Auditors shall be appointed in accordance with Section 271 of the Act and their duties regulated in accordance with Section 266 of the Act.

#### **DIVIDENDS AND RESERVES**

147. **Distribution of Dividends.** Subject to the Act, the Directors shall declare and distribute dividends from time to time out of profits of the Company available if the Company is solvent.
148. **Directors may form reserve fund and invest.** The Directors may, before authorising any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve, carry forward any profits which they think prudent not to divide.
149. **Payment of dividends.** Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Clause as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
150. **Deduction from Dividends.** The Directors may deduct from any dividend payable to any Member, all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company held by him.
151. **Dividends due may be retained until registration.** The Directors may retain the dividends payable upon shares in respect of which any person is under the provision as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.
152. **Unclaimed dividends may be invested.** All dividends unclaimed for one (1) year, subject to the Unclaimed Moneys Act, 1965 after having been declared may be invested or otherwise made use by the Directors for the benefit of the Company until claimed or paid pursuant to the Unclaimed Moneys Act, 1965.
153. **Manner of realisation of dividend and bonus.** The Directors in authorising a distribution of dividends or bonus may direct payment of such dividend or bonus, wholly or partly by the distribution of specific assets (including treasury shares as defined under the Act) and in particular of paid-up shares, debenture or debenture stock of any other company or in any one (1) or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and fix the value for the distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
154. **Dividend Reinvestment Scheme.** Subject to the Act, the Listing Requirements and any consents or approvals required by the law, the Company may undertake a Dividend Reinvestment Scheme and issue new Shares pursuant thereto.
155. **Mode of payment.**
- (1) Any dividend, interest or other money payable in cash in respect of shares may be paid by direct crediting, bank transfer, or such other mode of electronic means, cheque or dividend warrant and in the case of a cheque or dividend warrant for such payment, sent:
- (a) by post, by courier or by hand to the registered address of the person entitled as appearing in the Record of Depositors; or
- (b) by post, by courier or by hand to the registered address of the person becoming entitled to the share by reason of the death, bankruptcy or mental disorder of the holder or by operation of law or if such address has not been supplied, to such address to which such cheque or dividend warrant might have been posted if the death, bankruptcy, mental disorder or operation of law had not occurred; or

(c) by post, by courier or by hand to such address as the person entitled may direct in writing;

but the Company shall be entitled to send such cheque or dividend warrant to such other address or by such other means stated in the above paragraphs hereof notwithstanding such direction.

(2) Every cheque or dividend warrant may be made payable:-

(a) to the order of the person entitled; or

(b) to the order of the person entitled by reason of the death, bankruptcy or mental disorder of the holder or by operation of law; or

(c) to the order of such other person as the person entitled may in writing direct or direct to be sent to,

but nothing in this Clause shall prevent such cheque or dividend warrant from being made payable in such other manner as the Company would be entitled to in respect of such cheque or dividend warrant including (without limitation), in the case of the death of the holder of the share in respect of which the dividend or other moneys to be paid by the cheque or dividend warrant are payable making such cheque or dividend warrant payable to the estate of such holder if the Company thinks appropriate. Such cheque or dividend warrant shall be a good discharge to the Company. The Company shall not be responsible for any loss of any such cheque or dividend warrant (whether in the post, while being delivered by courier or by hand, after delivery to the relevant address or person or otherwise). The payment of any dividend by electronic means shall constitute a good and full discharge to the Company in respect of the money represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged or any discrepancy given by the Member in the details of the bank account(s). Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.

#### CAPITALISATION OF PROFITS

156. **Capitalization of profits by bonus issue etc.** Subject to the Act and the Listing Requirements, the Company in a meeting of Members may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

157. **Director's duties and powers in capitalization.** Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional shares or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

#### LANGUAGE

158. **Translation.** Where any accounts, minute books or other records required to be kept by the Act are not kept in Malay or English language, the Directors shall cause a true translation of such accounts, minute books and other records to be made from time to time at intervals of not more than seven (7) days and shall cause such translation to be kept with the original accounts, minute books and other records for so long as the original accounts, minute books and other records are required by the Act to be kept.

#### NOTICES

159. (i) **Notice of Annual General Meeting, Meeting of Members and Meetings of Board or Board Committees and/or documents.** Notices of meetings of Members and of meetings of the Board or Board Committees and any other communication between the Company and the Members and/or its Directors and/or Board Committees, including matters relating to resolutions, supply of information or documents or otherwise whether for the purposes of complying with the Act, the Listing Requirements or otherwise may be:

(a) in hard copy;

(b) in Electronic Form; or

(c) partly in hard copy and partly in Electronic Form.

- (ii) **Communication in hard copy.** A communication in hard copy shall be valid if:
- (a) sent to the Company through post at the Office;
  - (b) served on the Member or Director personally, or, by sending it through post at the last known address; or
  - (c) sent to the Company or Member or Director by facsimile; or
  - (d) advertised in the daily press.
- (iii) **Communication in Electronic form.** A communication in Electronic Form shall be valid if:
- (a) sent to the Company at an Electronic Address provided for that purpose;
  - (b) sent to the Member or Director by Electronic Communication at the last known Electronic Address provided;
  - (c) served on a Member by means of publication on the Company's website provided that a notification of the publication of such item or material being communicated on the website has been given to the Members in hard copy and/or Electronic Form in accordance with the Act and the Listing Requirements; or
  - (d) served on a Member using any other electronic platform maintained by the Company or third parties that can host the information in a secure manner for access by Members provided that a notification of the publication of such item or material being communicated on the electronic platform has been given to the Members in hard copy and/or Electronic Form in accordance with the Act and the Listing Requirements.
- (iv) **Communication partly in hard copy and partly in Electronic form.** A communication partly in hard copy and partly in Electronic Form shall include the sending of any communication by any means while in Electronic Form. This shall include:
- (a) the sending to the Company through post at the Office; or
  - (b) the service on the Member or Director either personally or through post at the last known address,
- of any notice or communication contained in Electronic Form such as CD-ROM, USB drive or any other equipment or device used for the storage of data.
- (v) **Last known address.** The address (including Electronic Address):
- (a) of a Member appearing in the Record of Depositors or Register of Members;
  - (b) of a Director appearing in the Register of Directors; or
  - (c) provided by the Member or the Director to the Company for purposes of communication with him,
- shall be deemed as the last known address of the Member or Director for purposes of communication including but not limited to service of notices and/or documents to the Member or Director respectively.
- (vi) **Communication by hard copy deemed served.** Any item or material being communicated by shall be deemed to have been served by the Company to a Member on the day the prepaid letter, envelope or wrapper containing such item or material is posted.
- In proving service by post it shall be sufficient to prove that the letter containing the notice or document or material was properly addressed and stamped and put into a government post box or delivered to the postal authority for delivery.
- In providing service by facsimile it shall be deemed to be effective at the time of despatch with confirmed answerback of the addressee appearing at the beginning and end of the communication.
- Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.
- (vii) **Communication in Electronic Form deemed served.** A communication in Electronic Form sent to the Director or Member by Electronic Communication shall be deemed to be served upon transmission of the same to the Electronic Address of the addressee provided that the Company has record of the Electronic Communication being sent and does not receive an automated delivery failure notice after the communication has been transmitted.
- (viii) **Communication by publication on website deemed served.** A communication by means of publication on a website shall be deemed to be served upon when the material was first made available on the website provided that the notification of the publication or availability of the item or material being communicated on the website has been given to the Members whether in hard copy and/or Electronic Form in accordance with the Act and the Listing Requirements.

- (ix) **Communication by electronic platform deemed served.** A communication via electronic platform maintained by the Company or third parties shall be deemed to be served on the date the item or material being communicated was first made available thereto provided that the notification of the publication or availability of the item or material being communicated on the relevant electronic platform has been given to the Members whether in hard copy and/or Electronic Form in accordance with the Act and the Listing Requirements.
- (x) In the event that service of a notice or documents pursuant to Clause 159(iii) is unsuccessful, the Company must, within two (2) market days from discovery of delivery failure, make alternative arrangements for service by serving notice or document in hard copy in accordance with Clause 159(ii).
- (xi) A Member or Director who has no registered address within Malaysia and has not supplied to the Company an address within Malaysia for purposes of communication with him shall not be entitled to receive any notice or documents or communication in hard copy through post from the Company.

**160. Notice in case of death or bankruptcy.**

- (i) Any notice or document required to be sent to Members delivered or sent by post to or left at the last known address of any Member or advertised in accordance with Clause 159 shall, notwithstanding such Member be then deceased, and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any shares, and such service shall, for all purposes of these presents, be deemed a sufficient service of such notice or document on his heirs, executors or administrators.
- (ii) Every person who, by operation of law, transfer, transmission or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, prior to his name and/or address being entered in the Register or the Record of Depositors as the registered holder of such share, shall have been duly given to the person from whom he derives the title to such share.

**161. Who may receive notice.**

- (i) Notice of every meeting of Members shall be given in any manner hereinbefore specified to:
  - (a) every Member;
  - (b) every person entitled to a share in consequence of the death or bankruptcy or in case of a corporation, upon liquidation, of a Member who, but for his death or bankruptcy or liquidation, would be entitled to receive notice of the meeting;
  - (c) the Auditors;
  - (d) every Director; and
  - (e) the Exchange.
- (ii) Any notice on behalf of the Company or of the Board shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.

**WINDING UP**

**162. Distribution of assets.** If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidators may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributor as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

**163. Sharing of loss and excess.**

Save that this Clause shall be without prejudice to the rights of holders of shares issued upon special terms and conditions, the following provisions shall apply:

- (a) if the Company shall be wound up and the assets available for distribution among the Members as such, shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and

- (b) if in a winding-up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively.

164. **Rights of preference shareholders upon winding up.** In the event the Company is wound up and its assets distributed, the holders of preference shares shall be entitled to return of capital in preference to holders of ordinary shares.

165. **Liquidator's fees in voluntary liquidation.** On the voluntary liquidation of the Company, no commission or fee shall be paid to the liquidator unless it shall have been approved by the Members. The amount of such payment shall be notified to all Members at least seven (7) days before the meeting at which the commission or fee is to be considered.

#### SECURITY CLAUSE

166. **Secrecy.** Save as may be provided by the Act, no Member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information respecting any detail of the Company's trading, manufacturing or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Members of the Company to communicate to the public.

#### INDEMNITY

167. **Indemnity and Insurance in favour of officers and Auditors of the Company.** Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every Director (including alternate Director), Auditors, Secretary and other officer (as defined in the Act) for the time being of the Company shall be indemnified out of the assets of the Company from all and against any liability incurred or sustained by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour (or the proceedings are otherwise disposed of without any findings or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by Court, in respect of any alleged negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

(1) Subject to the provisions of the Act, the Company may indemnify an officer or Auditors of the Company for any costs incurred by him or the Company in respect of any proceedings:-

- (a) that relates to the liability for any act or omission in his capacity as an officer or Auditors; and
- (b) in which judgment is given in favour of the officer or Auditors or in which the officer or Auditors is acquitted or is granted relief under this Act, or where proceedings are discontinued or not pursued.

(2) Subject to the provisions of the Act, the Company may indemnify an officer or Auditors of the Company in respect of:-

- (a) any liability to any person, other than the Company, for any act or omission in his capacity as an officer or Auditors;
- (b) any costs incurred by that Director or officer (b) Auditors in defending or settling any claim or proceedings relating to such liability except –

(i) any liability of the Director to pay:

(aa) A fine imposed in criminal proceedings; or

(bb) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature, howsoever arising; or

(ii) any liability incurred by the Director:

(aa) in defending any criminal proceedings in which he is convicted;

(bb) in defending any civil proceedings brought by the Company, or an associated company, in which judgment is given against him; or

(cc) any costs incurred in connection with an application for relief under the Act.

- (3) The Company may, with the prior approval of the Board, effect insurance for an officer or Auditors of the Company in respect of:
- (a) civil liability, for any act or omission in his capacity as a Director or officer or Auditors; and
  - (b) costs incurred by that officer or Auditors in defending or settling any claim or proceeding relating to any such liability; or
  - (c) costs incurred by that officer or Auditors in defending any proceedings that have been brought against that person in relation to any act or omission in that person's capacity as an officer or Auditors:
    - (i) in which that person is acquitted;
    - (ii) in which that person is granted relief under the Act; or
    - (iii) where proceedings are discontinued or not pursued.
- (4) The provisions of sub Clauses (2) and 3(a) and (b) shall not apply to any civil or criminal liability in respect of a breach by a Director of his duties under Section 213 of the Act.
- (5) The Directors shall:
- (a) record or cause to be recorded in the minutes of the Board; and
  - (b) disclose or cause to be disclosed in the directors' report referred to in Section 253 of the Act, the particulars of any indemnity given, or insurance effected for any officer or Auditors of the Company.
- (6) For the purposes of this Clause, "officer" includes-
- (a) any Director, manager, secretary or employee of the Company;
  - (b) a former officer;
  - (c) a receiver or receiver and manager of any part of the undertaking of the Company appointed under a power contained in any instrument; and
  - (d) any liquidator of the Company appointed in a voluntary winding up, but does not include –
    - (i) any receiver who is not also a manager;
    - (ii) any receiver and manager appointed by Court; or
    - (iii) any liquidator appointed by the Court or by the creditors of the Company;

"effect insurance" includes pay, whether directly or indirectly, the costs of the insurance; and

"indemnify" includes relieve or excuse from liability, whether before or after the liability arises, and "indemnity" has a corresponding meaning

#### **ALTERATION**

168. **Alteration of Constitution.** Subject to the Act, the Company may by Special Resolution, add, amend or delete any of these Clauses of the Constitution.

#### **COMPLIANCE WITH STATUTES, REGULATIONS AND RULES**

169. **Compliance with Statutes, Regulations and Rules.** The Company shall comply with the provisions of the relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time, or any other directive or requirement imposed by the Exchange, the Depository and other appropriate authorities, to the extent required by law, notwithstanding any provisions in these Clauses to the contrary.

#### EFFECT OF THE LISTING REQUIREMENTS

170. (i) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (ii) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.
- (iii) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (iv) If the Listing Requirements require this Constitution to contain a provision and they do not contain such a provision, this Constitution is deemed to contain that provision.
- (v) If the Listing Requirements require this Constitution not to contain a provision and they contain such a provision, this Constitution is deemed not to contain that provision.
- (vi) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.
- (vii) For the purpose of this Constitution, unless the context otherwise requires, "Listing Requirements" means Bursa Malaysia Securities Berhad Main Market Listing Requirements including any amendments to the Listing Requirements that may be made from time to time.

#### WAIVER

171. **Waiver.** Where permitted under the law, the Company are empowered to apply, as the Directors think fit, to the Exchange to:
- (i) waive or modify the Company's compliance with any of the Listing Requirements or part thereof; and/or
- (ii) vary or revoke any decision(s) made by the Exchange in respect of the Company's compliance with any of the Listing Requirements or part thereof.

