

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Share Buy-Back Statement prior to its issuance as it is an Exempt Document pursuant to Practice Note 18 of the Main Market Listing Requirements. Bursa Securities takes no responsibility for the contents of this Share Buy-Back Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Share Buy-Back Statement.



HAI-O ENTERPRISE BERHAD

Registration No. 197501000919 (22544-D)

(Incorporated in Malaysia)

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

The Ordinary Resolution in respect of the above proposal will be tabled as Special Business at the 45th Annual General Meeting (“AGM”) of Hai-O Enterprise Berhad (“Hai-O” or “the Company”) to be conducted on a fully virtual basis at the Broadcast Venue at Lot 6.03, 6th Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia on Thursday, 1 October 2020 at 11:30 a.m..

The Notice of the 45th AGM and the Form of Proxy is enclosed together with the Annual Report 2020 of the Company and can be downloaded at <https://hai-o.com.my> under Investor Relations > 45th AGM.

If you decide to appoint a proxy or proxies to participate and vote on your behalf at the AGM, you must complete and lodge the Form of Proxy at the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or by electronic means through Boardroom Smart Investor Online Portal at www.boardroomlimited.my, not less than forty-eight (48) hours before the time appointed for holding the 45th AGM or at any adjournment thereof. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the 45th AGM by yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the earlier appointed proxy not less than forty-eight (48) hours before the 45th AGM.

Last date and time for lodging the Form of Proxy	: Tuesday, 29 September 2020 at 11.30 a.m.
Date and time of the 45 th AGM	: Thursday, 1 October 2020 at 11.30 a.m.

This Statement is dated 26 August 2020

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HAI-O ENTERPRISE BERHAD

Registration No. 197501000919 (22544-D)

(Incorporated in Malaysia)

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

1. INTRODUCTION

At the 44th AGM of the Company held on 26 September 2019, 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 issued shares 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 45th AGM of Hai-O which will be held on 1 October 2020.

On 26 June 2020, 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 45th AGM until the conclusion of the next AGM of Hai-O unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions or the expiration of the period within which the next AGM is required by law to be held or the authority is revoked or varied by an ordinary resolution of 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 2020 was RM37,692,929.

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. In addition, our Board will ensure that the Company satisfies the solvency test as stated in Section 112 (2) of the Act before implementing the Proposed Share Buy-Back.

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 the shares or any of the shares for the purposes of or under an employees' share scheme and/or transferred the shares or any of the shares 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 3 August 2020, the total issued share capital of the Company was RM157,256,450 comprising of 300,297,890 ordinary shares (including 10,104,488 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 total forfeited Options of 104,000, the outstanding ESOS Options was 441,000 as at 3 August 2020.

In the event Hai-O acquires the full number of Hai-O Shares authorized under the Proposed Share Buy-Back, the total number of issued shares 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 Share Buy-Back.
Maximum Scenario	:	Assuming all the existing treasury shares are re-sold and all the 441,000 Outstanding ESOS Options under the 1 st tranche of ESOS granted are exercised before the implementation of the Proposed Share Buy-Back.

	Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
Issued share capital as at 3 August 2020	300,297,890	300,297,890
Less: treasury shares @ 3 August 2020 and assuming fully cancelled	(10,104,488)	-
Add: assuming full exercise of Outstanding ESOS Options #	-	441,000
Less: to be purchased pursuant to the Proposed Share Buy-Back and assuming fully cancelled	(19,925,301)	(30,073,889)
Total number of issued shares after the Proposed Share Buy-Back	270,268,101	270,665,001

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 purpose 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 funds available for 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 2020 is RM1.03.

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 2020, your Board has declared a first interim single tier dividend of 3 sen per ordinary share, amounting to RM8,709,885 paid on 5 March 2020, and a second interim single tier dividend of 3 sen per ordinary share, amounting to RM8,709,399 paid on 16 June 2020.

Subject to the approval of the shareholders at the forthcoming 45th AGM, your Board has recommended a final single tier dividend of 4 sen per ordinary share in respect of the financial year ended 30 April 2020.

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 item 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 3 August 2020 and assuming that Hai-O purchases the maximum ten percent (10%) of its total number of issued shares 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 Share Buy-Back.

	<-----As at 3 August 2020----->				<-----After the Proposed Share Buy-back----->			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Tan Kai Hee	30,195,799	10.41	43,303,706 ^(a)	14.92	30,195,799	11.17	43,303,706 ^(a)	16.02
Tan Keng Kang	12,388,320	4.27	61,111,185 ^(b)	21.06	12,388,320	4.58	61,111,185 ^(b)	22.61
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 ^(c)	0.003	52,000	0.02	7,500 ^(c)	0.003
Soon Eng Sing	50,000	0.02	-	-	50,000	0.02	-	-
Tan Beng Ling	-	-	-	-	-	-	-	-
Hajjah Ruhanas Binti Harun	-	-	-	-	-	-	-	-
Ng Chek Yong	-	-	-	-	-	-	-	-

4.5 Directors' and Substantial Shareholders' Shareholdings (continued)

(i) Directors

Maximum Scenario: Assuming all the existing treasury shares are re-sold and all the 441,000 Outstanding ESOS Options under the 1st tranche of ESOS granted are exercised before the implementation of the Proposed Share Buy-Back.

	<-----As at 3 August 2020----->				<-After full exercise of ESOS Options->				<-After the Proposed Share Buy-back->			
	<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors												
Tan Kai Hee	30,195,799	10.41	43,303,706 ^(a)	14.92	30,195,799	10.04	43,303,706 ^(a)	14.40	30,195,799	11.16	43,303,706 ^(a)	16.00
Tan Keng Kang	12,388,320	4.27	61,111,185 ^(b)	21.06	12,388,320	4.12	61,111,185 ^(b)	20.32	12,388,320	4.58	61,111,185 ^(b)	22.58
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 ^(c)	0.003	52,000	0.02	7,500 ^(c)	0.002	52,000	0.02	7,500 ^(c)	0.003
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.

4.5 Directors' and Substantial Shareholders' Shareholdings (continued)

(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 3 August 2020 and assuming that Hai-O purchases the maximum ten percent (10%) of its total number of issued shares 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 Share Buy-Back.

	<-----As at 3 August 2020----->				<-----After the Proposed Share Buy-back----->			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Substantial Shareholders								
Tan Kai Hee	30,195,799	10.41	43,303,706 ⁽ⁱ⁾	14.92	30,195,799	11.17	43,303,706 ⁽ⁱ⁾	16.02
Akintan Sdn Bhd	23,492,613	8.10	-	-	23,492,613	8.69	-	-
Excellant Communication Sdn Bhd	15,548,679	5.36	-	-	15,548,679	5.75	-	-
Tan Keng Kang	12,388,320	4.27	61,111,185 ⁽ⁱⁱ⁾	21.06	12,388,320	4.58	61,111,185 ⁽ⁱⁱ⁾	22.61
Tan Keng Song	1,715,320	0.59	72,519,178 ⁽ⁱⁱⁱ⁾	24.99	1,715,320	0.63	72,519,178 ⁽ⁱⁱⁱ⁾	26.83
Phan Van Denh	845,743	0.29	72,653,762 ^(iv)	25.04	845,743	0.31	72,653,762 ^(iv)	26.88

4.5 Directors' and Substantial Shareholders' Shareholdings (continued)

(ii) Substantial Shareholders

Maximum Scenario: Assuming all the existing treasury shares are re-sold and all the 441,000 Outstanding ESOS Options under the 1st tranche of ESOS granted are exercised before the implementation of the Proposed Share Buy-Back.

	<-----As at 3 August 2020----->				<-After full exercise of ESOS Options->				<-After the Proposed Share Buy-back->			
	<----Direct---->		<---Indirect--->		<---Direct---->		<---Indirect--->		<---Direct--->		<---Indirect--->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Substantial Shareholders												
Tan Kai Hee	30,195,799	10.41	43,303,706 ⁽ⁱ⁾	14.92	30,195,799	10.04	43,303,706 ⁽ⁱ⁾	14.40	30,195,799	11.16	43,303,706 ⁽ⁱ⁾	16.00
Akintan Sdn Bhd	23,492,613	8.10	-	-	23,492,613	7.81	-	-	23,492,613	8.68	-	-
Excellant Communication Sdn Bhd	15,548,679	5.36	-	-	15,548,679	5.17	-	-	15,548,679	5.74	-	-
Tan Keng Kang	12,388,320	4.27	61,111,185 ⁽ⁱⁱ⁾	21.06	12,388,320	4.12	61,111,185 ⁽ⁱⁱ⁾	20.32	12,388,320	4.58	61,111,185 ⁽ⁱⁱ⁾	22.58
Tan Keng Song	1,715,320	0.59	72,519,178 ⁽ⁱⁱⁱ⁾	24.99	1,715,320	0.57	72,519,178 ⁽ⁱⁱⁱ⁾	24.11	1,715,320	0.63	72,519,178 ⁽ⁱⁱⁱ⁾	26.79
Phan Van Denh	845,743	0.29	72,653,762 ^(iv)	25.04	845,743	0.28	72,653,762 ^(iv)	24.16	845,743	0.31	72,653,762 ^(iv)	26.85

Notes:

- (i) 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.
- (ii) Deemed interested through the direct and indirect interest of his family members in Hai-O.
- (iii) Deemed interested through the direct and indirect interest of her family members in Hai-O.
- (iv) 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 2020, the Company had purchased an aggregate of 52,200 Hai-O shares on Bursa Securities at a total consideration of RM105,044 which are presently being held as treasury shares in accordance with the provisions of Section 127 of the Act. As at 30 April 2020, a total of 9,984,588 ordinary shares were held as treasury shares.

Information of the shares purchased by the Company during the financial year ended 30 April 2020 is set out on page 149 under Note 15.4 of the Financial Statements as contained in the Annual Report 2020.

The details of the purchases in the previous twelve (12 months) up to last practicable date, 3 August 2020 (“LPD”) is as follows:

Date	Total no. of shares purchased	Price (RM)		Average Price (RM)	*Total Consideration (RM)
		Lowest	Highest		
27.09.2019	36,000	2.25	2.37	2.31	83,615
17.03.2020	8,200	1.38	1.40	1.39	11,462
19.03.2020	8,000	1.22	1.26	1.24	9,992
24.06.2020	5,000	1.83	1.83	1.83	9,193
25.06.2020	6,000	1.83	1.84	1.84	11,062
26.06.2020	8,200	1.83	1.84	1.84	15,141
29.06.2020	14,000	1.83	1.86	1.85	25,983
30.06.2020	4,900	1.88	1.90	1.89	9,320
01.07.2020	6,300	1.90	1.93	1.91	12,118
02.07.2020	7,400	1.94	1.95	1.94	14,456
03.07.2020	4,300	1.94	1.95	1.95	8,417
06.07.2020	7,600	1.92	1.96	1.94	14,824
07.07.2020	5,800	1.93	1.95	1.94	11,300
08.07.2020	5,000	1.93	1.95	1.93	9,716
09.07.2020	5,500	1.92	1.95	1.93	10,686
10.07.2020	7,000	1.90	1.93	1.91	13,425
13.07.2020	1,800	1.91	1.94	1.93	3,505
14.07.2020	4,000	1.89	1.91	1.90	7,621
15.07.2020	11,900	1.86	1.89	1.88	22,491
16.07.2020	5,000	1.85	1.87	1.86	9,345
17.07.2020	5,800	1.83	1.88	1.85	10,784
20.07.2020	4,400	1.85	1.90	1.87	8,267

**Total consideration is inclusive of brokerage, clearing fees and 6% SST*

As at LPD, the Company held a total of 10,104,488 treasury shares.

The Company has not resold or transferred or cancellation of any treasury shares on Bursa Securities in the previous twelve (12) months up to 3 August 2020.

6. PUBLIC SHAREHOLDING SPREAD

Based on our Register of Substantial Shareholders and the Record of Depositors as at 3 August 2020, the public shareholding spread of Hai-O is 67.83% 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) 65.46% 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 Share Buy-Back; and
- (ii) 65.51% in the event all the existing treasury shares are re-sold and all the 441,000 Outstanding ESOS Options under the 1st tranche of ESOS granted are exercised before the implementation of the Proposed 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)
<u>2019</u>		
August	2.38	2.11
September	2.77	2.20
October	2.40	2.21
November	2.37	2.13
December	2.20	1.97
<u>2020</u>		
January	2.08	1.98
February	2.04	1.89
March	1.90	1.12
April	1.77	1.32
May	2.01	1.68
June	1.95	1.81
July	1.96	1.81

(Source: www.investing.com)

The last transacted price of Hai-O Shares on the LPD was RM1.85.

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 purchase of shares, and 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 45th AGM.

11. FURTHER INFORMATION

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

APPENDIX I

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 45th 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 2019 and 30 April 2020.