

**THIS EXPLANATORY STATEMENT/CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

The Notices of the Court Convened Meeting (“CCM”) and Extraordinary General Meeting (“EGM”) together with the respective Forms of Proxy are enclosed for your attention.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Explanatory Statement/Circular, 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 Explanatory Statement/Circular.



**HAI-O ENTERPRISE BERHAD**

(Registration No. 197501000919 (22544-D))  
(Incorporated in Malaysia)

**EXPLANATORY STATEMENT TO SHAREHOLDERS PURSUANT TO SECTION 369 OF THE COMPANIES ACT, 2016 (“ACT”) IN RELATION TO THE PROPOSED INTERNAL REORGANISATION BY WAY OF A MEMBERS’ SCHEME OF ARRANGEMENT UNDER SECTION 366 OF THE ACT (“PROPOSED INTERNAL REORGANISATION”)**

**AND**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- (I) PROPOSED INTERNAL REORGANISATION;**
- (II) PROPOSED TERMINATION OF EXISTING ESOS; AND**
- (III) PROPOSED NEW ESOS**

**AND**

**NOTICES OF THE CCM AND EGM**

*Adviser*

**UOBKayHian**

**UOB Kay Hian Securities (M) Sdn Bhd**

(Registration No. 199001003423 (194990-K))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The CCM and EGM of Hai-O Enterprise Berhad will be held on a fully virtual basis through live streaming from the broadcast venue at Lot 6.03, 6th Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Wednesday, 19 May 2021 at 10.30 a.m. and 11.00 a.m. respectively or at any adjournment thereof. The Notices of the CCM and the EGM and the respective Forms of Proxy are attached in this Explanatory Statement/Circular.

If you are unable to attend and vote remotely at the CCM and the EGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete, sign and deposit the relevant enclosed Forms of Proxy for the CCM and EGM in accordance with the instructions contained therein, at our 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 through Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) at least 48 hours before the time appointed for the CCM and EGM or at any adjournment thereof. The lodging of the Forms of Proxy for the CCM and/or EGM will not preclude you from attending and voting remotely at the CCM and/or EGM should you subsequently decide to do so.

Date and time of CCM	:	Wednesday, 19 May 2021 at 10.30 a.m.
Date and time of EGM	:	Wednesday, 19 May 2021 at 11.00 a.m. or immediately following the conclusion of the CCM (which will be held at the Broadcast Venue and on the same day at 10.30 a.m.), whichever is later, or at any adjournment thereof
Last date and time for lodging of the Form of Proxy for the CCM	:	Monday, 17 May 2021 at 10.30 a.m.
Last date and time for lodging of the Form of Proxy for the EGM	:	Monday, 17 May 2021 at 11.00 a.m.

This Explanatory Statement/Circular is dated 27 April 2021

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Explanatory Statement/Circular:-

“Act”	: The Companies Act, 2016
“BESHOM”	: Beshom Holdings Berhad (Registration No. 202101001114 (1401412-A))
“BESHOM Group”	: Collectively, BESHOM and its subsidiaries (namely our Company and our subsidiaries upon completion of the Proposed Internal Reorganisation)
“BESHOM’s Board”	: Board of Directors of BESHOM
“BESHOM Share(s)”	: Ordinary share(s) in BESHOM
“Board”	: Board of Directors of Hai-O Enterprise
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Business Day”	: A day on which commercial banks are open for business in Kuala Lumpur, Malaysia (excluding Saturdays, Sundays and public holidays)
“CCM”	: Meeting of our shareholders to be convened pursuant to an order of the High Court under Section 366(1) of the Act, including any meetings of our shareholders which are held pursuant to an adjournment in accordance with Section 366(2) of the Act
“CDS”	: Central Depository System
“Director(s)”	: The director(s) of a company having the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“Effective Date of Proposed New ESOS”	: The implementation date of the Proposed New ESOS, which is also a date on which all relevant requirements of Chapter 6 of the Listing Requirements are fully complied with, including the approvals and/or conditions referred to in the New ESOS By-Laws thereof having been obtained and/or complied with
“Effective Date of Proposed Share Exchange”	: The date on which the copy of the order of the High Court approving the Scheme of Arrangement is lodged with the Registrar of Companies or such earlier date as the High Court may determine and as may be specified in the order
“EGM”	: Extraordinary General Meeting
“Eligible Person(s)”	: Eligible employees and directors of BESHOM and its subsidiaries, which are not dormant, who fulfil the eligibility criteria for participation in the Proposed New ESOS as set out in the New ESOS By-Laws
“Entitled Shareholder(s)”	: Our shareholder(s) whose name(s) appears in the Record of Depositors of our Company on the Entitlement Date

---

**DEFINITIONS (Cont'd)**

---

“Entitlement Date”	:	A date to be determined by our Board and announced later, on which the names of our shareholders must be registered in the Record of Depositors of our Company as at 5.00 p.m. on the said date in order to be entitled to BESHOM Shares pursuant to the Proposed Share Exchange
“EPS”	:	Earnings per share
“ESOS”	:	Employees' share option scheme
“ESOS Award Date”	:	The date on when the New ESOS Option is made by the ESOS Committee from time to time to an Eligible Person in writing to participate in the Proposed New ESOS in the manner provided in the New ESOS By-Laws
“ESOS Committee”	:	A committee appointed by BESHOM's Board to administer the New ESOS
“ESOS Participant(s)”	:	An Eligible Person(s) who has accepted the New ESOS Options in the manner provided in the New ESOS By-Laws
“Existing ESOS”	:	Existing employees' shares option scheme of Hai-O Enterprise which was established on 3 July 2017
“Existing ESOS By-Law(s)”	:	Existing by-law(s) governing the Existing ESOS
“Existing ESOS Option(s)”	:	Existing ESOS option(s) that was offered to the eligible employees and directors of Hai-O Enterprise and its subsidiaries in accordance with the terms of the Existing ESOS By-Laws at the exercise price of RM3.63 per Existing ESOS Option
“Explanatory Statement/Circular”	:	This Explanatory Statement to our shareholders pursuant to Section 369 of the Act in relation to the Proposed Internal Reorganisation and this Circular dated 27 April 2021 in relation to the Proposals
“FPE”	:	Financial period ended/ending, as the case may be
“FYE”	:	Financial year(s) ended/ending, as the case may be
“Hai-O Enterprise” or the “Company”	:	Hai-O Enterprise Berhad (Registration No. 197501000919 (22544-D))
“Hai-O Enterprise Group” or the “Group”	:	Collectively, Hai-O Enterprise and its subsidiaries
“Hai-O Enterprise Share(s)”	:	Ordinary share(s) in Hai-O Enterprise
“High Court”	:	High Court of Malaya
“Listing Requirements”	:	The Main Market Listing Requirements of Bursa Securities
“LPD”	:	14 April 2021, being the latest practicable date prior to the printing and despatch of this Explanatory Statement/Circular
“Market Day(s)”	:	Any day(s) between Monday to Friday (inclusive), excluding public holidays, and a day on which Bursa Securities is open for trading of securities
“NA”	:	Net assets

---

**DEFINITIONS (Cont'd)**

---

“New ESOS”	:	New ESOS pursuant to the Proposed New ESOS
“New ESOS By-Law(s)”	:	The by-laws governing the Proposed New ESOS, as amended, modified and supplemented from time to time
“New ESOS Option(s)”	:	New ESOS option(s) to be granted pursuant to the Proposed New ESOS
“Option Price”	:	The price which the ESOS Participant is required to pay to be entitled to subscribe for and/or acquire the BESHOM Shares under the Proposed New ESOS pursuant to the exercise of the New ESOS Option
“Proposals”	:	Collectively, the Proposed Internal Reorganisation, Proposed Termination of Existing ESOS and Proposed New ESOS
“Proposed Internal Reorganisation”	:	Proposed internal reorganisation by way of Scheme of Arrangement comprising the following proposals:-  (a) Proposed Share Exchange; and (b) Proposed Transfer of Listing Status
“Proposed New ESOS”	:	Proposed establishment of new ESOS of up to 15% of the issued share capital of BESHOM (excluding treasury shares of BESHOM, if any) at any point in time over the duration of the New ESOS to the Eligible Persons
“Proposed Share Exchange”	:	Proposed share exchange of up to 300,297,890 Hai-O Enterprise Shares as at the LPD, representing the entire issued share capital of Hai-O Enterprise (including treasury shares held by Hai-O Enterprise) with up to 300,297,890 BESHOM Shares on the basis of 1 BESHOM Share for every 1 existing Hai-O Enterprise Share held on the Entitlement Date
“Proposed Termination of Existing ESOS”	:	Proposed termination of the Existing ESOS
“Proposed Transfer of Listing Status”	:	Proposed assumption of the listing status of our Company by BESHOM, the admission of BESHOM to, and withdrawal of our Company from, the Official List of Bursa Securities, with the listing of and quotation for 300,297,892 BESHOM Shares on the Main Market of Bursa Securities
“Record of Depositors”	:	A record of depositors maintained by Bursa Depository under the Rules of Bursa Depository
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Scheme Agreement”	:	The scheme agreement dated 19 January 2021, entered into between our Company and BESHOM for the implementation of the Proposed Internal Reorganisation through the Scheme of Arrangement
“Scheme of Arrangement”	:	A scheme of arrangement between our Company and our shareholders under Section 366 of the Act to effect the Proposed Internal Reorganisation

---

**DEFINITIONS (Cont'd)**

---

“UOBKH” or the “Adviser” : UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))

“VWAP” : Volume weighted average market price

All references to “our Company” and “Hai-O Enterprise” in this Explanatory Statement/Circular are to Hai-O Enterprise Berhad and references to “our Group” or “Hai-O Enterprise Group” are to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are to our Company, and where the context requires, our Group or any of our subsidiaries. All references to “you” or “your” in this Explanatory Statement/Circular are to the shareholders of Hai-O Enterprise.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Explanatory Statement/Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Explanatory Statement/Circular shall be reference to Malaysian time, unless otherwise specified. Any discrepancy in the figures included in this Explanatory Statement/Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

Certain statements in this Explanatory Statement/Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Explanatory Statement/Circular should not be regarded as a representation or warranty that our plans and objectives will be achieved.

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b>	vi
<b>LETTER TO THE SHAREHOLDERS OF HAI-O ENTERPRISE CONTAINING:-</b>	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED INTERNAL REORGANISATION	2
3. DETAILS OF THE PROPOSED TERMINATION OF EXISTING ESOS	7
4. DETAILS OF THE PROPOSED NEW ESOS	8
5. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS	13
6. EFFECTS OF THE PROPOSALS	16
7. HISTORICAL SHARE PRICES	23
8. APPROVALS REQUIRED AND CONDITIONALITY	24
9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	26
10. DIRECTORS' RECOMMENDATION	27
11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	27
12. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION	27
13. THE CCM AND THE EGM	28
14. FURTHER INFORMATION	29
<b>APPENDICES</b>	
I. INFORMATION ON BESHOM	30
II. DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS	31
III. FURTHER INFORMATION	63
<b>NOTICE OF CCM</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY FOR THE CCM</b>	<b>ENCLOSED</b>
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY FOR THE EGM</b>	<b>ENCLOSED</b>
<b>ADMINISTRATIVE GUIDE</b>	<b>ENCLOSED</b>

---

## EXECUTIVE SUMMARY

---

*This Executive Summary highlights only the salient information of the Proposals. The shareholders of Hai-O Enterprise are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming CCM and EGM.*

Key information	Description	Reference to Explanatory Statement/Circular
<b>Summary of the Proposals</b>	<p>Hai-O Enterprise proposes to undertake the following:-</p> <ul style="list-style-type: none"><li>(i) Proposed internal reorganisation by way of Scheme of Arrangement comprising the following proposals:-<ul style="list-style-type: none"><li>(a) Proposed share exchange of up to 300,297,890 Hai-O Enterprise Shares as at the LPD, representing the entire issued share capital of Hai-O Enterprise (including treasury shares held by Hai-O Enterprise) with up to 300,297,890 BESHOM Shares on the basis of 1 BESHOM Share for every 1 existing Hai-O Enterprise Share held on the Entitlement Date; and</li><li>(b) Proposed assumption of the listing status of our Company by BESHOM, the admission of BESHOM to, and withdrawal of our Company from, the Official List of Bursa Securities, with the listing of and quotation for 300,297,892 BESHOM Shares on the Main Market of Bursa Securities;</li></ul></li><li>(ii) Proposed termination of the Existing ESOS; and</li><li>(iii) Proposed establishment of new ESOS of up to 15% of the issued share capital of BESHOM (excluding treasury shares of BESHOM, if any) at any point in time over the duration of the Proposed New ESOS to the Eligible Persons.</li></ul>	<b>Sections 2, 3 and 4</b>
<b>Rationale and Justification for the Proposals</b>	<p><b><u>Proposed Internal Reorganisation</u></b></p> <p>The Proposed Internal Reorganisation serves to:-</p> <ul style="list-style-type: none"><li>(i) separate the investment holding function and the operating business, wherein BESHOM will become the investment holding vehicle assuming the listing status of Hai-O Enterprise, whilst Hai-O Enterprise will continue to operate the existing businesses and there will be no change to the business activities of Hai-O Enterprise's subsidiaries;</li><li>(ii) enable BESHOM Group to achieve ease and flexibility in the expansion of new business segments or streamlining of business segments as and when the opportunities arise;</li></ul>	<b>Section 5</b>

---

**EXECUTIVE SUMMARY (Cont'd)**

---

Key information	Description	Reference to Explanatory Statement/Circular
<b>Rationale and Justification for the Proposals (Cont'd)</b>	(iii) further streamline the BESHOM Group to have separate identifiable business streams which better reflects the diverse operations of BESHOM Group; and	<b>Section 5</b>
	(iv) provide greater flexibility for business operations and facilitate an effective management of the different businesses moving forward.	
	<b><u>Proposed Termination of Existing ESOS</u></b>	<b>Section 5</b>
	<p>The outstanding Existing ESOS Options are no longer attractive in view of the exercise price of RM3.63 is higher than the prevailing market price of Hai-O Enterprise Shares. The Company does not intend to grant any further Existing ESOS Options until the termination of the Existing ESOS. Pursuant thereto, the Board proposes to terminate the Existing ESOS and to replace it with the Proposed New ESOS.</p>	
	<b><u>Proposed New ESOS</u></b>	<b>Section 5</b>
	<p>The Proposed New ESOS is to enable BESHOM to grant the New ESOS Options to the Eligible Persons. The Proposed New ESOS will provide the Eligible Persons with an opportunity to have equity participation in BESHOM and help achieve the objectives as set out below:-</p>	
	<ul style="list-style-type: none"><li data-bbox="448 1234 1155 1361">(i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of BESHOM Group;</li><li data-bbox="448 1391 1155 1518">(ii) to reward the Eligible Persons by allowing them to participate in BESHOM Group's profitability and eventually realise any capital gains arising from appreciation in the value of BESHOM's shares;</li><li data-bbox="448 1547 1155 1637">(iii) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;</li><li data-bbox="448 1666 1155 1794">(iv) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of BESHOM; and</li><li data-bbox="448 1823 1155 1908">(v) to possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.</li></ul>	

---

**EXECUTIVE SUMMARY (Cont'd)**

---

Key information	Description	Reference to Explanatory Statement/Circular
<b>Approvals required</b>	<p>The Proposals are subject to the following:-</p> <p>(i) the approval of Bursa Securities for the following:-</p> <p>(a) the admission of BESHOM to the Official List and the listing of and quotation for the entire issued share capital of BESHOM of up to 300,297,892 BESHOM Shares on the Main Market of Bursa Securities, in place of Hai-O Enterprise Shares which shall be delisted; and</p> <p>(b) the listing of such number of additional new BESHOM Shares representing up to 15% of the issued share capital of BESHOM (excluding treasury shares, if any), to be issued pursuant to the exercise of the New ESOS Options under the Proposed New ESOS,</p> <p>subject to the conditions disclosed in <b>Section 8</b> of this Explanatory Statement/Circular.</p> <p>(ii) the approval of the shareholders of Hai-O Enterprise at the forthcoming EGM for the Proposed New ESOS;</p> <p>(iii) the approval of the shareholders of Hai-O Enterprise at the forthcoming CCM and EGM for the Proposed Internal Reorganisation;</p> <p>(iv) the order of the High Court sanctioning the Proposed Internal Reorganisation;</p> <p>(v) the approval/consents of the financiers/creditors of Hai-O Enterprise, if required; and</p> <p>the approval, consent and/or sanction of any other relevant authorities/parties, if required.</p>	<b>Section 8</b>
<b>Interested parties and any conflict of interest from the Proposals</b>	<p>None of the directors and major shareholders of Hai-O Enterprise, and persons connected with them have any interest, direct or indirect, in the Proposed Internal Reorganisation other than their respective entitlements, if any, under the Proposed Share Exchange as Hai-O Enterprise's shareholders, which are also available to all the other shareholders of Hai-O Enterprise on a pro-rata basis.</p>	<b>Section 9</b>

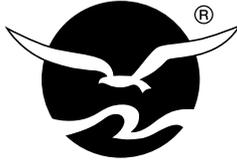
---

**EXECUTIVE SUMMARY (Cont'd)**

---

<b>Key information</b>	<b>Description</b>	<b>Reference to Explanatory Statement/Circular</b>
<b>Interested parties and any conflict of interest from the Proposals (Cont'd)</b>	All the directors are eligible to participate in the Proposed New ESOS, and are therefore deemed interested to the extent of their respective proposed allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed New ESOS. Accordingly, the directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meeting(s) in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed New ESOS.	<b>Section 9</b>
<b>Board's recommendation</b>	The Board (save for the directors who have abstained from deliberating and making any recommendations relating to their respective allocations as well as allocations to persons connected to them, if any) recommends that you <b>VOTE IN FAVOUR</b> of the ordinary resolution pertaining to the Proposed New ESOS to be tabled at the forthcoming EGM and special resolution pertaining to the Proposed Internal Reorganisation to be tabled at the forthcoming CCM and EGM.	<b>Section 10</b>

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**



**HAI-O ENTERPRISE BERHAD**  
(Registration No. 197501000919 (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 April 2021

**Board of Directors:-**

Tan Kai Hee	<i>Group Executive Chairman</i>
Tan Keng Kang	<i>Group Managing Director</i>
Hew Von Kin	<i>Group Executive Director cum Group Chief Financial Officer</i>
Ng Chek Yong	<i>Senior Independent Non-Executive Director</i>
Tan Beng Ling	<i>Independent Non-Executive Director</i>
Soon Eng Sing	<i>Independent Non-Executive Director</i>
Chia Kuo Wui	<i>Independent Non-Executive Director</i>
Tan Kim Siong	<i>Independent Non-Executive Director</i>
Professor Hajjah Ruhana Binti Harun	<i>Independent Non-Executive Director</i>

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

Dear Sir/Madam,

- (I) **PROPOSED INTERNAL REORGANISATION**
- (II) **PROPOSED TERMINATION OF EXISTING ESOS; AND**
- (III) **PROPOSED NEW ESOS**

---

**1. INTRODUCTION**

On 19 January 2021, UOBKH had, on behalf of our Board, announced that our Company proposes to undertake the Proposals and has entered into the Scheme Agreement.

On 5 April 2021, UOBKH had on behalf of our Board, announced that the High Court had granted an order for the convening of the CCM for the consideration and voting of the Scheme of Arrangement, the terms of which are set out in **Section 2.3** of this Explanatory Statement/Circular within 6 months from the date of the Court order.

On 9 April 2021, UOBKH had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated on even date, approved the following:-

- (i) the admission of BESHOM to the Official List and the listing of and quotation for the entire issued share capital of BESHOM of up to 300,297,892 BESHOM Shares on the “Consumer Products & Services” sector of the Main Market of Bursa Securities, in place of Hai-O Enterprise Shares which shall be delisted; and
- (ii) the listing of such number of additional new BESHOM Shares representing up to 15% of the issued share capital of BESHOM (excluding treasury shares, if any), to be issued pursuant to the exercise of the New ESOS Options under the Proposed New ESOS,

subject to the conditions disclosed in **Section 8** of this Explanatory Statement/Circular. BESHOM will assume Hai-O Enterprise’s Stock Code, Stock Short Name and International Securities Identification Number (ISIN) upon completion of the Proposed Internal Reorganisation.

**THE PURPOSE OF THIS EXPLANATORY STATEMENT/CIRCULAR IS TO PROVIDE YOU WITH DETAILS ON THE PROPOSALS AND TO SEEK YOUR APPROVAL ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED INTERNAL REORGANISATION TO BE TABLED AT THE FORTHCOMING CCM AND EGM AND THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW ESOS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING CCM AND EGM AS WELL AS THE FORMS OF PROXY ARE ENCLOSED TOGETHER WITH THIS EXPLANATORY STATEMENT/CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS EXPLANATORY STATEMENT/CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RELEVANT RESOLUTIONS PERTAINING TO THE PROPOSED INTERNAL REORGANISATION AND PROPOSED NEW ESOS TO BE TABLED AT THE FORTHCOMING CCM AND EGM.**

## **2. DETAILS OF THE PROPOSED INTERNAL REORGANISATION**

The Proposed Internal Reorganisation will be implemented by way of Scheme of Arrangement under Section 366 of the Act, comprising the Proposed Share Exchange and Proposed Transfer of Listing Status. Our Company and BESHOM had on 19 January 2021, entered into the Scheme Agreement for the purpose of the implementation of the Proposed Internal Reorganisation. The terms of the Scheme of Arrangement are set out under **Section 2.3** of this Explanatory Statement/Circular.

### **2.1 Proposed Share Exchange**

Under the Proposed Share Exchange, all shareholders of Hai-O Enterprise as at the Entitlement Date will exchange their respective Hai-O Enterprise Shares with BESHOM Shares on the basis of 1 new BESHOM Share for every 1 existing Hai-O Enterprise Share held.

As at the LPD, the number of issued shares in Hai-O Enterprise is 300,297,890 Hai-O Enterprise Shares. Pursuant to the Proposed Share Exchange, the Entitled Shareholders will receive such number of BESHOM Shares which is equivalent to their respective shareholdings in Hai-O Enterprise as at the Entitlement Date, and Hai-O Enterprise shall become a wholly-owned subsidiary of BESHOM. Save for the Hai-O Enterprise Shares, the Company does not have any other type of shares or securities in issue.

The new BESHOM Shares to be issued pursuant to the Proposed Share Exchange will rank equally in all respects with each other and with the 2 existing BESHOM Shares in issue. After the Proposed Share Exchange, the 2 existing BESHOM Shares will continue to be held by the existing shareholders of BESHOM, Tong Set Wah and Chew Mei Ling respectively.

Further information on BESHOM is set out in **Section 2.4** and **Appendix I** of this Explanatory Statement/Circular.

## **2.2 Proposed Transfer of Listing Status**

Upon completion of the Proposed Share Exchange, BESHOM will become the new holding company of Hai-O Enterprise Group and will assume the listing status of Hai-O Enterprise. Accordingly, it is proposed that Hai-O Enterprise be delisted from the Official List of Bursa Securities and BESHOM be admitted to the Official List of Bursa Securities in place of Hai-O Enterprise with the listing of and quotation for the entire number of issued shares of 300,297,892 BESHOM Shares on the Main Market of Bursa Securities.

The reference price of the newly listed BESHOM Shares on Bursa Securities shall be the last closing price of Hai-O Enterprise Shares on the market day prior to the suspension of trading on Bursa Securities.

## **2.3 Salient terms of the Scheme Agreement**

The salient terms of the Scheme Agreement are amongst others, set out below:-

### **2.3.1 Proposed Share Exchange**

- (i) Subject always to the fulfilment of the Conditions Precedent as set out in **Section 2.3.3(i)** of this Explanatory Statement/Circular in accordance with **Section 2.3.3** of this Explanatory Statement/Circular, the Proposed Share Exchange shall take place on or after the date on Effective Date of Proposed Share Exchange whereupon BESHOM Shares will be issued to the Entitled Shareholders in exchange for the Hai-O Enterprise Shares held on the Entitlement Date, on the basis of 1 BESHOM Share for every 1 Hai-O Enterprise Share.
- (ii) Hai-O Enterprise shall be responsible for amongst others with respect to the Proposed Internal Reorganisation:-
  - (a) submitting an application to the High Court for the CCM;
  - (b) making the relevant public announcement to Bursa Securities in relation to the CCM;
  - (c) sending a notice of the CCM stipulating the details of the suspension and implementation procedure including Explanatory Statement/Circular to each of the shareholder of Hai-O Enterprise in accordance with the Court Order, the provisions of the Act and/or the Listing Requirements;
  - (d) circulating an advertisement or a notification of the CCM in a manner in which creditors or members may obtain copies of the Explanatory Statement/Circular in accordance to the Court Order and/or the Act;
  - (e) convening a CCM and EGM within the period prescribed in the Court Order for the approval of the Proposed Internal Reorganisation by the shareholders of Hai-O Enterprise ("**Requisite Approval**");

- (f) obtaining the sanction of the High Court for the Scheme upon receipt of the Requisite Approval;
  - (g) ensuring that the CDS accounts of the Entitled Shareholders will be credited with the new BESHOM Shares in substitution of their Hai-O Enterprise Shares as soon as practicable after the Effective Date of Proposed Share Exchange;
  - (h) lodging a copy of the Court Order with respect to the Scheme with the Companies Commission of Malaysia; and
  - (i) announce the Entitlement Date once the Entitlement Date has been determined by the Board.
- (iii) BESHOM shall be responsible for amongst others with respect to the Proposed Internal Reorganisation:-
- (a) prior to the Effective Date of Proposed Share Exchange, adopt a constitution substantially in form and substance as the constitution of Hai-O Enterprise as at the Effective Date of Proposed Share Exchange save for such modification as may be necessary or expedient to facilitate any such new or contemplated business, operations or activities of BESHOM;
  - (b) shall take all steps to ensure that the requisite notices of allotment in respect of the new BESHOM Shares will be dispatched by post to each of the Entitled Shareholders within 8 market days from the Entitlement Date in accordance with the provisions of the Listing Requirements. For the avoidance of doubt, the BESHOM Shares will be scripless securities hence no physical certificates will be issued to the Entitled Shareholders;
  - (c) ensuring that the CDS accounts of the Entitled Shareholders will be credited with the new BESHOM Shares in substitution of their Hai-O Enterprise Shares as soon as practicable after the Effective Date of Proposed Share Exchange; and
  - (d) executing or causing the necessary documents and/or agreements to be executed and take such other necessary steps to facilitate the adoption of a constitution which is in compliance with the Listing Requirements.

### **2.3.2 Proposed Transfer of Listing**

- (i) Subject always to the fulfilment of the Conditions Precedent as set out in **Section 2.3.3(i)** of this Explanatory Statement/Circular in accordance with **Section 2.3.3** of this Explanatory Statement/Circular and concurrently with the completion of the Proposed Share Exchange, the parties agree to take all such necessary steps so that:-
  - (a) Hai-O Enterprise will transfer its listing status on the Official List of Bursa Securities to BESHOM;
  - (b) on the completion of the Proposed Transfer of Listing Status, Hai-O Enterprise will be delisted from the Official List of Bursa Securities;
  - (c) BESHOM will be admitted to the Official List of Bursa Securities in place of Hai-O Enterprise with the listing of and quotation for the BESHOM Shares representing the entire enlarged issued share capital of BESHOM on the Main Market of Bursa Securities; and
  - (d) that the existing directors of BESHOM shall resign and the directors of Hai-O Enterprise shall be appointed as BESHOM's Board.

### 2.3.3 Conditions Precedent

- (i) The Scheme Agreement and the Proposed Internal Reorganisation are conditional upon the effective fulfilment of the following conditions precedent (“**Conditions Precedent**”):-
- (a) the approval of the shareholders of Hai-O Enterprise at the EGM and the CCM for the Proposed Internal Reorganisation pursuant to Section 366 of the Act;
  - (b) the Court Order shall have been obtained;
  - (c) subject to the fulfillment of the conditions as set out in subparagraphs (a) and (b) above, the approval of Bursa Securities for the Proposed Transfer of Listing Status and admission, listing of and quotation for the entire enlarged issued share capital of BESHOM on the Official List of Bursa Securities;
  - (d) the fulfillment of all conditions, if any, imposed by Bursa Securities in the approval or clearance by the parties or any party, as the case may be;
  - (e) the approval of the directors and shareholders of BESHOM for the Proposed Internal Reorganisation and issuance of new shares in BESHOM to the shareholders of Hai-O Enterprise pursuant to the Proposed Internal Reorganisation;
  - (f) the approvals and/or consent of the financiers and/or creditors of Hai-O Enterprise Group, if required;
  - (g) the written approval, consent or sanction from the relevant authorities and all other relevant licensing authorities;
  - (h) the written approval or consent from counterparties to contracts made by Hai-O Enterprise Group for the Proposed Internal Reorganisation, if required;
  - (i) where applicable, issuance of the relevant written notification on the Proposed Internal Reorganisation or where applicable, by any of the companies within Hai-O Enterprise Group for the Proposed Internal Reorganisation; and
  - (j) the approvals, consent and/or sanction of any other relevant authorities and/or parties, if required.
- (ii) The parties shall respectively use their best endeavours (where applicable) to, and at their own cost and expense, procure the fulfilment of the Conditions Precedent within 6 months from the date of the Scheme Agreement (“**Conditional Period**”).
- (iii) Each party will do all things and provide all necessary information reasonably required by the other party or the relevant authorities to assist the other party to apply to the relevant authorities under **Section 2.3.3(i)** of this Explanatory Statement/Circular.
- (iv) In the event that any of the Conditions Precedent is not fulfilled by the expiry of the Conditional Period, the parties agree that the Conditional Period shall automatically be extended by further period of 1 month or for such longer period as may be mutually agreed upon in writing by the parties (“**Extended Conditional Period**”) commencing on the date next following the expiration of the Conditional Period.

- (v) If a Condition Precedent has not been, as applicable, fulfilled or waived (to the extent permitted by laws) by mutual agreement between the parties by the expiry of the Extended Conditional Period, either party may, by giving 7 Business Days' notice in writing, terminate the Scheme Agreement whereupon neither party shall have any claim whatsoever against the other with the Scheme Agreement and the matters hereby contemplated, save in respect of any antecedent breach, or breach of any clause which is expressly stated in the Scheme Agreement to survive such termination.
- (vi) The Scheme Agreement shall become unconditional on the date on which the last of the Conditions Precedent is fulfilled or waived in accordance with **Section 2.3.3(iv)** and **(v)** of this Explanatory Statement/Circular.

#### 2.3.4 Completion

- (i) On the completion of the Proposed Internal Reorganisation:-
- (a) BESHOM will allot and issue the BESHOM Shares to the Entitled Shareholders in exchange for their Hai-O Enterprise Shares in accordance to the basis prescribed by the Proposed Shares Exchange;
- (b) Hai-O Enterprise will become a wholly-owned subsidiary of BESHOM consequential of the Proposed Shares Exchange; and
- (c) BESHOM will assume the listing status of Hai-O Enterprise with the listing of and quotation for the entire issued share capital of BESHOM on the Main Market of Bursa Securities.

#### 2.4 Information on BESHOM

BESHOM was incorporated in Malaysia under the Act as a public limited company under the name of Beshom Holdings Berhad on 11 January 2021 to facilitate the implementation of the Proposed Internal Reorganisation. As at the LPD, BESHOM has an issued share capital of RM2.00 comprising 2 BESHOM Shares. BESHOM is currently dormant but is principally intended for investment holding activities.

The Directors of BESHOM as at the LPD are Tong Set Wah and Chew Mei Ling and they hold 1 BESHOM Share each. During the implementation of the Proposed Share Exchange, BESHOM's Board will be appointed to mirror the Board whilst the current Directors of BESHOM shall resign.

As at the LPD, the shareholders and their respective shareholdings in BESHOM are as follows:-

Shareholders	Nationality	Direct		Indirect	
		No. of BESHOM Shares	%	No. of BESHOM Shares	%
Tong Set Wah	Malaysian	1	50.0	-	-
Chew Mei Ling	Malaysian	1	50.0	-	-

Further details of BESHOM are disclosed under **Appendix I** of this Explanatory Statement/Circular.

### 3. DETAILS OF THE PROPOSED TERMINATION OF EXISTING ESOS

On 3 July 2017, the Company implemented the Existing ESOS entailing the issuance of up to 15% of the total number of issued shares (excluding treasury shares) of Hai-O Enterprise. The Existing ESOS is effective for a period of 5 years and shall expire on 2 July 2022 in accordance with the Existing ESOS By-Laws.

As at the LPD, a total of 2,200,000 Existing ESOS Options was offered to the eligible employees and directors of Hai-O Enterprise Group on 3 July 2017 in accordance with the terms of the Existing ESOS By-Laws, of which 2,189,000 Existing ESOS Options were duly accepted during the offer period of the Existing ESOS.

According to the Existing ESOS By-Law 22.1, the Company may at any time during the duration of the Existing ESOS, terminate the Existing ESOS and shall immediately announce to Bursa Securities:-

- (i) the effective date of termination of the Existing ESOS ("**Termination Date**");
- (ii) the number of options exercised or Company shares vested; and
- (iii) the reasons for termination of the Existing ESOS.

In the event of termination in accordance to the Existing ESOS By-Law 22.1, the Existing ESOS By-Law 22.2 has stipulated that the following provisions shall apply:-

- (i) no further offers shall be made by the Existing ESOS committee from the Termination Date;
- (ii) all offers which have yet to be accepted by the eligible persons shall automatically lapse on the Termination Date; and
- (iii) all outstanding Existing ESOS Options, which have yet to be exercised by the grantees shall be automatically lapsed on the Termination Date.

As at the LPD, there are 433,000 outstanding Existing ESOS Options with exercise price of RM3.63 per Existing ESOS Option. The Company does not intend to grant any further Existing ESOS Options until the termination of the Existing ESOS. Pursuant thereto, the Board proposes to terminate the Existing ESOS and to replace it with the Proposed New ESOS.

The effective date of the termination of the Existing ESOS will be determined and announced at a later date after obtaining all the relevant approvals for the Proposed New ESOS.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

#### **4. DETAILS OF THE PROPOSED NEW ESOS**

The Proposed New ESOS will be established after the Proposed Termination of Existing ESOS takes effect and after taking into consideration the implementation of the Proposed Internal Reorganisation. The Proposed New ESOS will be implemented after the completion of the Proposed Internal Reorganisation.

The Proposed New ESOS will be administered by the ESOS Committee and shall be governed by the New ESOS By-Laws. Under the Proposed New ESOS, the ESOS Committee may, within the tenure of the Proposed New ESOS and at its discretion, grant New ESOS Options to the Eligible Persons at the Option Price.

Under the Proposed New ESOS, the New ESOS Options will be granted on an annual basis or such other basis at the sole and absolute discretion of the ESOS Committee. Upon acceptance of the New ESOS Options by the Eligible Persons, the New ESOS Options will be vested to the ESOS Participants over the tenure of the Proposed New ESOS, subject to the ESOS Participants fulfilling certain vesting conditions as determined by the ESOS Committee at a later date after the establishment of the Proposed New ESOS.

The Option Price shall be based on a price to be determined by BESHOM's Board upon recommendation of the ESOS Committee based on the 5-day VWAP of BESHOM Shares immediately preceding the date of granting of the New ESOS Option with a discount of not more than 10%, or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the tenure of the Proposed New ESOS.

##### **4.1 Indicative salient terms of the Proposed New ESOS**

###### **(i) Maximum number of BESHOM Shares available under the Proposed New ESOS**

The maximum number of BESHOM Shares which may be made available under the Proposed New ESOS shall not in aggregate exceed 15% of the total number of issued shares of BESHOM (excluding treasury shares, if any) at any point in time during the tenure of the Proposed New ESOS.

###### **(ii) Basis of allotment and maximum allowable allotment**

Subject to the New ESOS By-Laws, the maximum number of BESHOM Shares awarded to any one Eligible Person under the Proposed New ESOS at any point of time shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, inter alia, the Eligible Person's designation, length of service, work performance and/or such other factors as the ESOS Committee deems fit, and subject to the following conditions:-

- (a) the total number of BESHOM Shares made available under the Proposed New ESOS shall not exceed the amount in **Section 4.1(i)** above;
- (b) not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares made available under the Proposed New ESOS shall be allocated to any Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of BESHOM (excluding treasury shares, if any);

- (c) up to a maximum of 50% of the total number of BESHOM Shares to be issued under the Proposed New ESOS could be allocated, in aggregate, to the directors and senior management of BESHOM Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the ESOS Committee from time to time); and
- (d) the directors and senior management of BESHOM Group shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any,

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

The ESOS Committee shall be entitled to determine the maximum number of the New ESOS Options that will be made available to an Eligible Person under the Proposed New ESOS, in the manner provided in the New ESOS By-Laws in relation to each class or grade of the Eligible Persons and the aggregate maximum number of the New ESOS Options that can be awarded to the Eligible Persons under the Proposed New ESOS from time to time, and the decision of the ESOS Committee shall be final and binding.

For avoidance of doubt, the ESOS Committee may at its sole and absolute discretion determine whether granting of the New ESOS Options to the Eligible Persons will be staggered over the duration of the Proposed New ESOS or in a single grant and/or whether the New ESOS Options will be subject to any vesting period and if so, to determine the vesting conditions including whether such vesting conditions are subject to performance targets, the determination of which will be carried out at a later date after the establishment of the Proposed New ESOS.

**(iii) Eligibility**

Subject to the discretion of the ESOS Committee, only Eligible Persons who fulfil the following conditions as at the ESOS Award Date, shall be eligible to participate in the Proposed New ESOS:-

- (a) in respect of an employee, the employee must fulfil the following criteria as at the ESOS Award Date to participate in the Proposed New ESOS in the manner provided in the New ESOS By-Laws:-
  - (aa) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (bb) is confirmed in writing as a full time employee and has been in the employment of BESHOM or any subsidiaries in BESHOM Group for such period as may be determined by the ESOS Committee prior to and up to the ESOS Award Date; and
  - (cc) fulfils any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time.
- (b) in respect of a director, the director must fulfil the following criteria as at the ESOS Award Date:-
  - (aa) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (bb) has been appointed as a director of BESHOM or any subsidiaries in BESHOM Group for such period as may be determined by the ESOS Committee prior to and up to the ESOS Award Date; and

- (cc) fulfils any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time,

provided always that the selection of any director or employee for participation in the Proposed New ESOS and the number of the New ESOS Options to be awarded to an Eligible Person under the Proposed New ESOS shall be at the sole discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

Notwithstanding the above, the ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out in the New ESOS By-Laws including but not limited to the length of service and allocation of ESOS to reward employees taking into consideration the contribution and performance of an employee which is aligned with the growth and performance of the Group.

**(iv) Duration and termination**

The Proposed New ESOS, when implemented, shall be in force for a period of 5 years from the Effective Date of Proposed New ESOS. BESHOM may, if BESHOM's Board deems fit and upon the recommendation of the ESOS Committee, extend the Proposed New ESOS for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date of Proposed New ESOS or such longer period as may be permitted by Bursa Securities or any other relevant authorities.

Such extended Proposed New ESOS shall be implemented in accordance with the terms of the New ESOS By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Proposed New ESOS and BESHOM shall serve appropriate notices on each ESOS Participant and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within 30 days prior to the date of expiry of the Proposed New ESOS.

The Proposed New ESOS may be terminated by the ESOS Committee at any time before the date of expiry of the Proposed New ESOS in accordance with the terms of the New ESOS By-Laws provided that an announcement is released to Bursa Securities on the following:-

- (a) the effective date of termination;
- (b) the number of New ESOS Options exercised pursuant to the Proposed New ESOS or BESHOM Shares vested under the Proposed New ESOS; and
- (c) the reasons and justification for termination.

Upon expiry or termination of the Proposed New ESOS, any New ESOS Options which have yet to be vested or exercised (as the case may be and whether fully or partially) shall be deemed cancelled and be null and void.

Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of BESHOM by way of resolution in a general meeting and written consent of the ESOS Participants in relation to the unexercised New ESOS Options are not required to effect the termination of the Proposed New ESOS.

**(v) Ranking of the New ESOS Options and new BESHOM Shares arising from the exercise of the New ESOS Options**

ESOS Participants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in BESHOM until and unless such ESOS Participants exercise their New ESOS Options into new BESHOM Shares.

Any new BESHOM Shares to be issued arising from the exercise of the New ESOS Options, shall upon allotment and issuance, rank equally in all respects with the existing shares, save and except that the new BESHOM Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of the new BESHOM Shares. The new BESHOM Shares will be subject to all provisions of the Constitution of BESHOM and such amendments thereafter, if any.

**(vi) Retention Period**

The ESOS Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on the transfer of the shares to be issued and/or transferred (vide treasury shares) pursuant to the Proposed New ESOS as it deems fit. Notwithstanding the above, pursuant to Paragraph 8.20 of the Listing Requirements, an Eligible Person who is a non-executive director must not sell, transfer or assign BESHOM Shares obtained through the exercise of the New ESOS Options offered to him/her within 1 year from the date of offer of the New ESOS Options.

**(vii) Listing of and quotation for the new BESHOM Shares arising from the exercise of the New ESOS Options**

An application will be made for the listing of and quotation for the new BESHOM Shares to be issued pursuant to the exercise of New ESOS Options on the Main Market of Bursa Securities.

**(viii) Amendments and/or modification to the Proposed New ESOS**

Subject to the New ESOS By-Laws and in compliance with the Listing Requirements and the approvals of any other authorities (if required), the ESOS Committee may at any time and from time to time recommend to BESHOM's Board any additions, amendments and/or modifications to and/or deletions of the New ESOS By-Laws as it shall, in its sole and absolute discretion think fit.

BESHOM's Board shall have the power at any time and from time to time by resolution to add to, amend, modify and/or delete all or any part of the New ESOS By-Laws upon such recommendation, provided always that no such amendment and/or modification shall be made which will:-

- (a) prejudice any rights of the ESOS Participant which have been accrued to any ESOS Participant without his/her prior consent or sanction;
- (b) increase the number of new BESHOM Shares available under the Proposed New ESOS beyond the maximum allowed by the New ESOS By-Laws; or
- (c) alter any matters which are required to be contained in the New ESOS By-Laws by virtue of the Listing Requirements to the advantage of any Eligible Person(s) and/or ESOS Participant(s), without the prior approval of shareholders obtained at a general meeting,

unless allowed otherwise by the provisions of the Listing Requirements.

Where any amendment and/or modifications are made to the New ESOS By-Laws, BESHOM shall submit to Bursa Securities, a confirmation letter that the amendments and/or modifications complies with the provision of the guidelines on the Proposed New ESOS stipulated under the Listing Requirements and the rules of Bursa Depository no later than 5 market days from the effective date of the said amendments and/or modifications.

#### **4.2 Utilisation of Proceeds**

For the avoidance of doubt, the issuance of the New ESOS Options pursuant to the Proposed New ESOS will not raise any proceeds. BESHOM will receive proceeds pursuant to the exercise of the New ESOS Options by the Eligible Persons. However, the actual amount of proceeds to be raised from the Proposed New ESOS will depend on the number of New ESOS Options granted and exercised at the relevant point of time and the subscription price payable upon the exercise of the New ESOS Options. As such, the exact amount of proceeds to be received and timeframe for the utilisation of proceeds are not determinable at this juncture.

The proceeds arising from the exercise of the New ESOS Options will be utilised for the working capital requirements to fund BESHOM Group's day-to-day operations to support the business operations which shall include, but not limited to, the payment of trade and other payables, staff costs such as salaries, statutory contributions and employee benefits and other operating expenses.

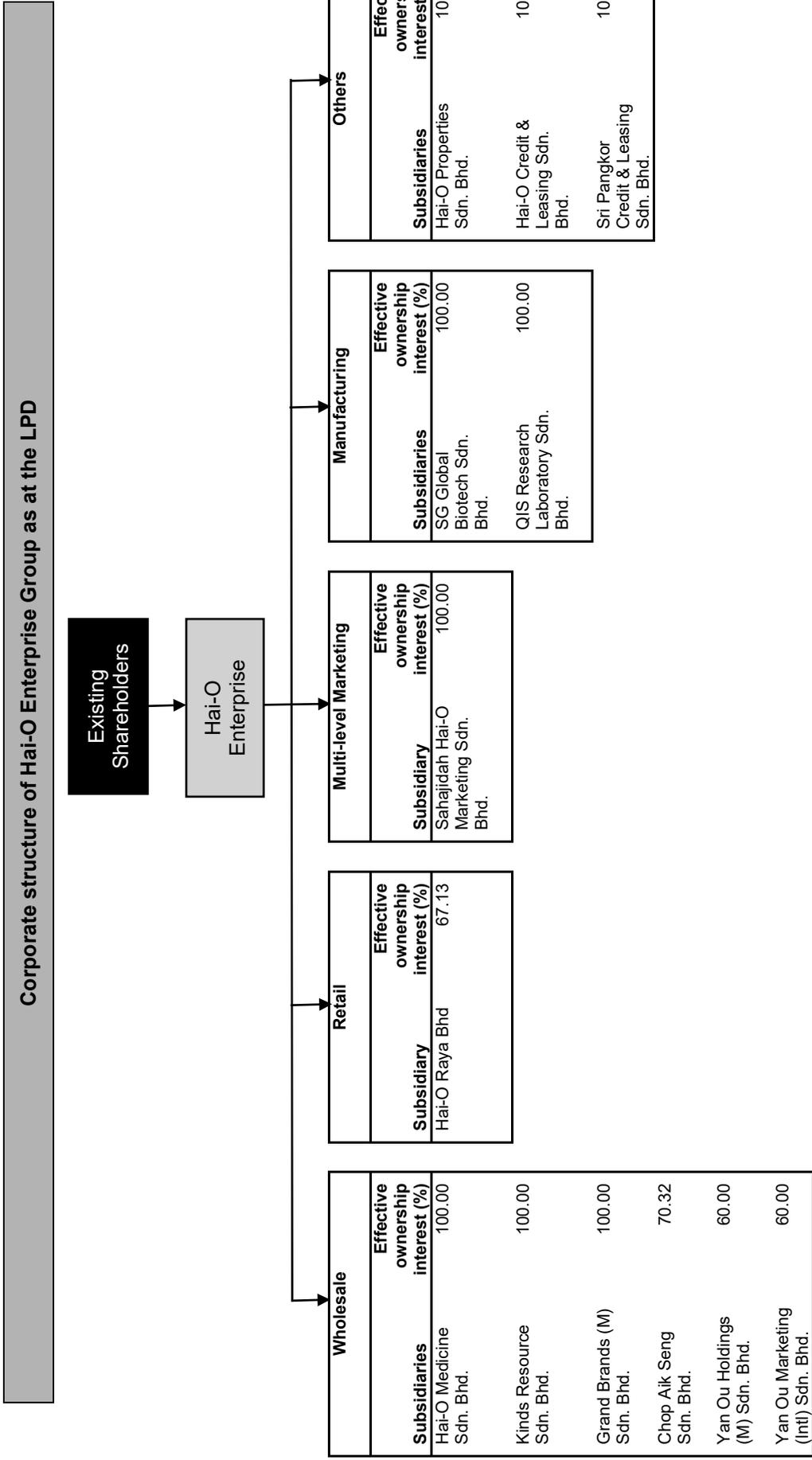
Pending utilisation of proceeds raised as and when the New ESOS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund BESHOM Group's working capital requirement.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

**5. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS**

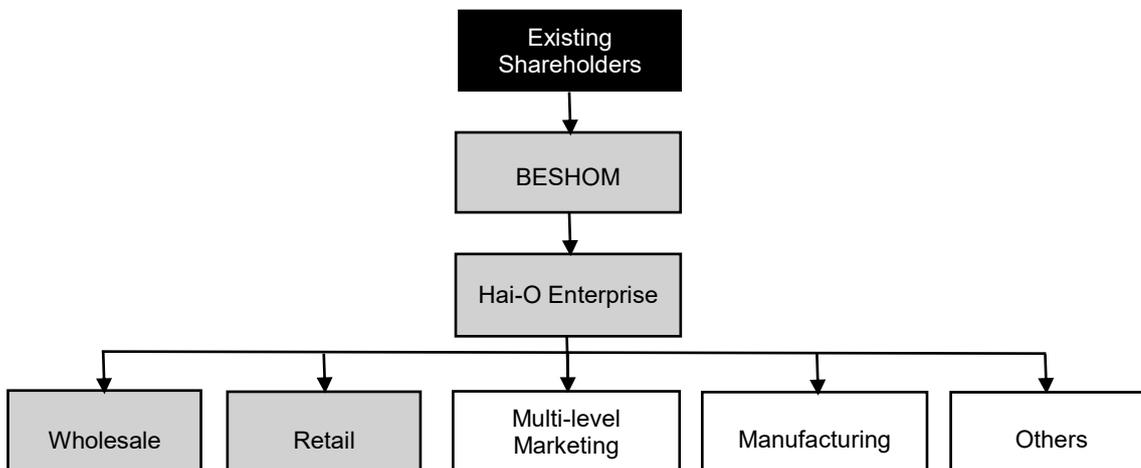
**5.1 Proposed Internal Reorganisation**

Hai-O Enterprise, being the current listed vehicle, is also an operating company. Hai-O Enterprise Group is principally engaged in the wholesaling, multi-level marketing and retailing of herbal medicines, healthcare products, wellness and beauty products, investment holding activities and property holding activities. The corporate structure of the Hai-O Enterprise Group before and after the Proposed Internal Reorganisation is depicted below:-



Through the Proposed Internal Reorganisation, the investment holding function and the operating business will be separated, wherein BESHOM will become the investment holding vehicle assuming the listing status of Hai-O Enterprise, whilst Hai-O Enterprise will continue to operate the existing businesses and there will be no change to the business activities of Hai-O Enterprise's subsidiaries. The corporate structure of BESHOM Group upon completion of the Proposed Internal Reorganisation is as illustrated below:-

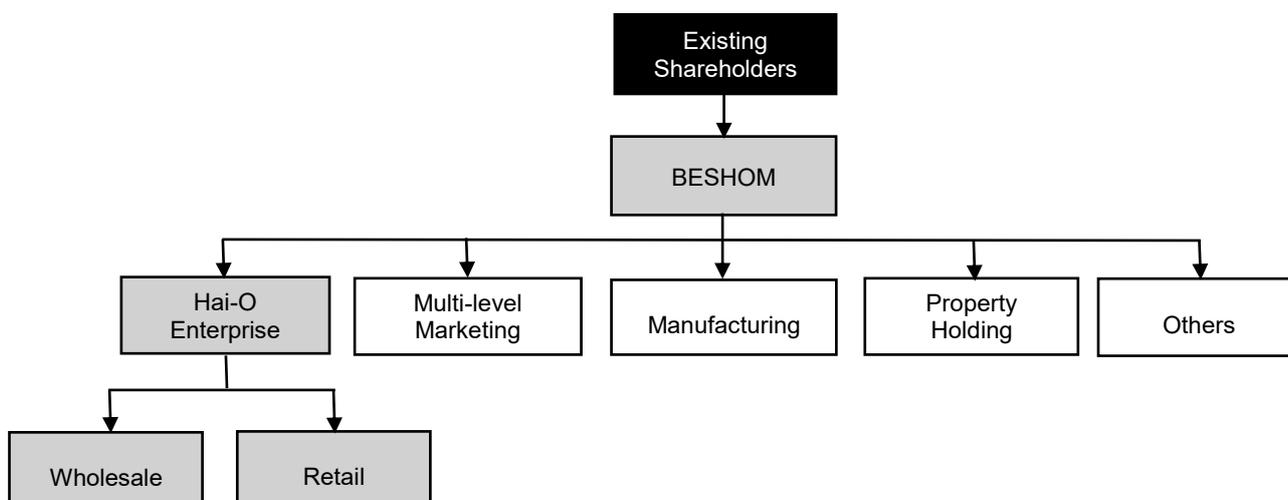
**Corporate structure of BESHOM Group  
upon completion of the Proposed Internal Reorganisation**



The Board is of the view that the Proposed Internal Reorganisation enables BESHOM Group to achieve ease and flexibility in the expansion of new business segments or streamlining of business segments as and when the opportunities arise. This will also facilitate investment opportunities which can be assumed separately from Hai-O Enterprise and other operational subsidiaries. Due to the Group's diverse activities, the clear demarcation of business activities will enable the respective business segments to monitor their operational risks more effectively, thus mitigating the direct exposure to BESHOM.

In addition, after the completion of the Proposed Internal Reorganisation, the management of BESHOM Group intends to further streamline the BESHOM Group to have separate identifiable business streams which better reflects the diverse operations of BESHOM Group as illustrated below:-

**Corporate structure of BESHOM Group  
upon completion of the potential subsequent streamlining**



The separation of the business segments will also provide greater flexibility for business operations and facilitate an effective management of the different businesses moving forward.

## **5.2 Proposed Termination of Existing ESOS**

As mentioned in **Section 3** above, the Company has 433,000 outstanding Existing ESOS Options with exercise price of RM3.63 per Existing ESOS Option.

The outstanding Existing ESOS Options are no longer attractive in view of their exercise price of RM3.63 is higher than the prevailing market price of Hai-O Enterprise Shares. For information purpose, the exercise price of the Existing ESOS Option is approximately 64.25% above the closing price of the Company as at the LPD of RM2.21 per Hai-O Enterprise Share.

The Company does not intend to grant any further Existing ESOS Options until the termination of the Existing ESOS. Pursuant thereto, the Board proposes to terminate the Existing ESOS and to replace it with the Proposed New ESOS.

## **5.3 Proposed New ESOS**

The Proposed New ESOS is to enable BESHOM to grant the New ESOS Options to the Eligible Persons.

The implementation of the Proposed New ESOS primarily serves to align the interests of the Eligible Persons to the corporate goals of BESHOM Group. The Proposed New ESOS will provide the Eligible Persons with an opportunity to have equity participation in BESHOM and help achieve the objectives as set out below:-

- (i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of BESHOM Group;
- (ii) to reward the Eligible Persons by allowing them to participate in BESHOM Group's profitability and eventually realise any capital gains arising from appreciation in the value of BESHOM's shares;
- (iii) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (iv) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of BESHOM; and
- (v) to possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

## 6. EFFECTS OF THE PROPOSALS

The Proposed Termination of Existing ESOS will not have any effect on the issued share capital, NA and gearing, earnings and EPS and substantial shareholders' shareholdings of the Hai-O Enterprise Group. The proforma effects of the Proposed Internal Reorganisation and Proposed New ESOS are set out below based on the following scenarios:-

Minimum Scenario : Assuming none of the Existing ESOS Options are exercised into new Hai-O Enterprise Shares and all the treasury shares are cancelled prior to the Entitlement Date

Maximum Scenario : Assuming all of the Existing ESOS Options are exercised into new Hai-O Enterprise Shares and all of treasury shares are resold to the market at acquisition cost prior to the Entitlement Date

### 6.1 Share capital

The Proposed Internal Reorganisation will not have any effect on the issued share capital of Hai-O Enterprise as there are no issuance of new Hai-O Enterprise Shares involved.

For illustrative purposes, the proforma effects of the Proposed Internal Reorganisation and Proposed New ESOS on the issued share capital of BESHOM are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of BESHOM Shares	RM	No. of BESHOM Shares	RM
Issued share capital as at the LPD	2 <sup>*1</sup>	2 <sup>*1</sup>	2 <sup>*1</sup>	2 <sup>*1</sup>
New BESHOM Shares to be issued pursuant to the Proposed Share Exchange	289,170,402 <sup>*2</sup>	273,558,656 <sup>*2</sup>	300,730,890 <sup>*4</sup>	301,622,598 <sup>*4</sup>
New BESHOM Shares to be issued arising from full exercise of the New ESOS Options pursuant to the Proposed New ESOS	<b>289,170,404</b> 43,375,560 <sup>*3</sup>	<b>273,558,658<sup>*5</sup></b> 85,883,609 <sup>*6</sup>	<b>300,730,892</b> 45,109,633 <sup>*3</sup>	<b>301,622,600</b> 89,317,073 <sup>*6</sup>
<b>Enlarged issued share capital of BESHOM</b>	<b>332,545,964</b>	<b>359,442,267</b>	<b>345,840,525</b>	<b>390,939,673</b>

#### Notes:-

- \*1 Based on the issued share capital of RM2.00 comprising 2 BESHOM Shares as at the LPD.
- \*2 Based on 289,170,402 Hai-O Enterprise Shares in issue (after excluding 11,127,488 treasury shares held by Hai-O Enterprise) as at the LPD (after the revenue reserve of Hai-O Enterprise is adjusted for the estimated expenses of RM527,000 in relation to the Proposals).
- \*3 Computed based on 15% of the total number of issued new BESHOM Shares upon completion of Proposed Share Exchange.
- \*4 After adjusting for the following events:-
  - (i) Assuming 433,000 outstanding Existing ESOS Options are exercised at RM3.63 each.
  - (ii) Assuming all treasury shares are resold to the market at acquisition cost.
- \*5 For illustrative purpose, the enlarged share capital of BESHOM will be based on the latest audited NA of Hai-O Enterprise as at 30 April 2020 after taking into account the adjustments for subsequent events and the existing 2 BESHOM Shares as well as cancellation of all treasury shares.
- \*6 Assuming the New ESOS Option is exercised into 1 new BESHOM Share at an indicative subscription price of RM1.98, representing approximately 9.59% discount to the 5-day VWAP of Hai-O Enterprise Shares up to and including the LPD of approximately RM2.19 per Hai-O Enterprise Share.

## 6.2 NA per share and gearing

BESHOM Group's NA and gearing will not be significantly different from Hai-O Enterprise Group's NA and gearing prior to and after the implementation of the Proposed Internal Reorganisation. For illustrative purposes, the proforma effects of the Proposed Internal Reorganisation and Proposed New ESOS on the NA per share and gearing of the enlarged BESHOM Group based on latest audited consolidated financial statements of Hai-O Enterprise Group as at 30 April 2020 are as set out below:-

Minimum Scenario	Audited consolidated Hai-O Enterprise Group as at 30 April 2020 (RM'000)	After adjusting for subsequent events*2		Proforma Hai-O Enterprise Group (RM'000)	After the Proposed Internal Reorganisation	
		Hai-O Enterprise Group (RM'000)	Hai-O Enterprise Group (RM'000)		Hai-O Enterprise Group (RM'000)	Consolidated BESHOM Group (RM'000)
Share capital	157,256	157,256	151,429 <sup>*3</sup>	151,429	273,558 <sup>*5</sup>	273,558 <sup>*5</sup>
Reorganisation Reserve	-	-	-	-	-	(122,129) <sup>*6</sup>
Treasury shares	(24,158)	(26,492)	<sup>*3</sup>	-	-	-
Revenue reserve	166,488	143,315	122,650 <sup>*3</sup>	122,129 <sup>*4</sup>	-	122,129
<b>NA/Shareholders' fund</b>	<b>299,586</b>	<b>274,079</b>	<b>274,079</b>	<b>273,558</b>	<b>273,558</b>	<b>273,558</b>
Number of ordinary shares	290,313,302 <sup>*1</sup>	289,170,402	289,170,402	289,170,402	289,170,404	289,170,404
NA per share (RM)	1.03	0.95	0.95	0.95	0.95	0.95
Total borrowings (RM'000)	-	-	-	-	-	-
Gearing (times)	-	-	-	-	-	-

### Notes:-

\*1

Based on 290,313,302 Hai-O Enterprise Shares in issue (after excluding 9,984,588 treasury shares held by Hai-O Enterprise) as at 30 April 2020.

\*2

After adjusting for the following events:-

(i) Share buyback of 1,142,900 Hai-O Enterprise Shares from 1 May 2020 up to 14 April 2021 with total consideration paid amounting to RM2,333,864.

(ii) Final dividend of 4 sen per Hai-O Enterprise Share for the FYE 30 April 2020 amounting to RM11,593,988 which was paid on 19 November 2020.

(iii) Interim dividend of 4 sen per Hai-O Enterprise Share for the FYE 30 April 2021 amounting to RM11,578,628 which was paid on 4 March 2021.

\*3 Assuming all treasury shares are cancelled.

\*4 Being the estimated expenses of RM521,000 in relation to the Proposals.

\*5 For illustrative purpose, the enlarged share capital of BESHOM will be based on the latest audited NA of Hai-O Enterprise as at 30 April 2020 after taking into account the adjustments for subsequent events and the existing 2 BESHOM Shares as well as cancellation of all treasury shares.

\*6 Being the difference between the share capital of BESHOM after taking into account the adjustments for subsequent events, and the share capital of Hai-O Enterprise, the computation of which is set out below:-

Share capital of Hai-O Enterprise	(RM'000)
151,429	151,429
Less: share capital of BESHOM after taking into account the adjustments to subsequent events	(273,558)
<b>Reorganisation Reserve</b>	<b>(122,129)</b>

	Audited consolidated Hai-O Enterprise Group as at 30 April 2020 (RM'000)	After adjusting for subsequent events <sup>*2</sup>		Proforma		After the Proposed Internal Reorganisation		
		Hai-O Enterprise Group (RM'000)	Hai-O Enterprise Group (RM'000)	Hai-O Enterprise Group (RM'000)	Hai-O Enterprise Group (RM'000)	BESHOM (RM'000)	Hai-O Enterprise Group (RM'000)	Consolidated BESHOM Group (RM'000)
<b>Maximum Scenario</b>								
Share capital	157,256	157,256	159,345 <sup>*3</sup>	159,345	301,623 <sup>*6</sup>	301,623 <sup>*6</sup>	159,345	301,623 <sup>*6</sup>
Reorganisation Reserve	-	-	-	-	-	-	-	(142,278) <sup>*7</sup>
Treasury shares	(24,158)	(26,492)	- <sup>*4</sup>	-	-	-	-	-
Revenue reserve	166,488	143,315	142,799 <sup>*3</sup>	142,799	142,278 <sup>*5</sup>	142,278	142,278	142,278
<b>NA/Shareholders' fund</b>	<b>299,586</b>	<b>274,079</b>	<b>302,144</b>	<b>301,623</b>	<b>301,623</b>	<b>301,623</b>	<b>301,623</b>	<b>301,623</b>
Number of ordinary shares	290,313,302 <sup>*1</sup>	289,170,402	300,730,890	300,730,890	300,730,890	300,730,892	300,730,890	300,730,892
NA per share (RM)	1.03	0.95	1.00	1.00	1.00	1.00	1.00	1.00
Total borrowings (RM'000)	-	-	-	-	-	-	-	-
Gearing (times)	-	-	-	-	-	-	-	-

**Notes:-**

\*1

Based on 290,313,302 Hai-O Enterprise Shares in issue (after excluding 9,984,588 treasury shares held by Hai-O Enterprise) as at 30 April 2020.

\*2

After adjusting for the following events:-

(i) Share buyback of 1,142,900 Hai-O Enterprise Shares from 1 May 2020 up to 14 April 2021 with total consideration paid amounting to RM2,333,864.

(ii) Final dividend of 4 sen per Hai-O Enterprise Share for the FYE 30 April 2020 amounting to RM11,593,988 which was paid on 19 November 2020.

(iii) Interim dividend of 4 sen per Hai-O Enterprise Share for the FYE 30 April 2021 amounting to RM11,578,628 which was paid on 4 March 2021.

Assuming 433,000 outstanding Existing ESOS Options are exercised at RM3.63 each.

Assuming all treasury shares are resold to the market at acquisition cost.

Being the estimated expenses of RM521,000 in relation to the Proposals.

\*5

For illustrative purpose, the enlarged share capital of BESHOM will be based on the latest audited NA of Hai-O Enterprise as at 30 April 2020 after taking into account the adjustments for subsequent events and the existing 2 BESHOM Shares.

\*6

Being the difference between the share capital of BESHOM after taking into account the adjustments for subsequent events, and the share capital of Hai-O Enterprise, the computation of which is set out below:-

	<b>(RM'000)</b>
Share capital of Hai-O Enterprise	159,345
Less: share capital of BESHOM after taking into account the adjustments to subsequent events	(301,623)
<b>Reorganisation Reserve</b>	<b>(142,278)</b>

Pursuant to the Proposed New ESOS, save for the potential impact of Malaysian Financial Reporting Standards 2, on “Share-Based Payment” (“**MFRS 2**”) issued by the Malaysian Accounting Standards Board as set out in **Section 6.3** below, the Proposed New ESOS is not expected to have an immediate effect on the NA, NA per share and gearing of BESHOM Group until such time the New ESOS Options are granted and exercised.

The effects in respect of the Proposed New ESOS will depend on the number of new BESHOM Shares to be issued pursuant to the exercise of New ESOS Options and the New ESOS Option Price.

For illustration purposes, upon exercise of the New ESOS Options, the NA per share is expected to increase if the ESOS Option Price is higher than the NA per share at such point of exercise and/or vesting and decrease if the ESOS Option Price is lower than the NA per share at such point of exercise.

### **6.3 Earnings and EPS**

The Proposed Internal Reorganisation will not have any material effect on the consolidated EPS of Hai-O Enterprise Group vis-à-vis the consolidated EPS of BESHOM upon completion of the Proposed Internal Reorganisation in view that the Proposed Share Exchange will be implemented on the basis of 1 new BESHOM Share for every 1 existing Hai-O Enterprise Share held.

The Proposed New ESOS is not expected to have any immediate effect on the consolidated EPS of BESHOM Group until such time when the New ESOS Options are granted and vested. Future earnings of BESHOM Group may be affected as, according to MFRS 2, the costs arising from the New ESOS Options are required to be measured at the date on which the New ESOS Options are granted and recognised as an expense over the vesting period of the New ESOS Options.

Any potential effect on the EPS of BESHOM Group will depend on the number of New ESOS Options granted and exercised, the subscription price payable upon the exercise of the New ESOS Options under the Proposed New ESOS and various factors that affect the fair value of the New ESOS Options. However, it should be noted that the estimated cost does not represent a cash outflow as it is merely an accounting treatment.

The Board takes note of the potential impact of MFRS 2 on BESHOM Group’s future earnings and shall take into consideration such impact in the allocation and granting of the New ESOS Options to the Eligible Persons.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

#### 6.4 Substantial shareholders' shareholdings

The Entitled Shareholders will cease to be shareholders of Hai-O Enterprise after the Proposed Internal Reorganisation and will instead hold BESHOM Shares in proportion to their respective shareholdings in Hai-O Enterprise on the Entitlement Date.

The Proposed New ESOS is not expected to have any immediate effect on the substantial shareholders' shareholdings in Hai-O Enterprise. Any potential effect on the substantial shareholdings in Hai-O Enterprise will depend on the new BESHOM Shares to be issued arising from the exercise of the New ESOS Options under the Proposed New ESOS at any point in time.

#### Minimum Scenario

Substantial Shareholder	Hai-O Enterprise				BESHOM							
	Shareholdings as at the LPD				After the Proposed Internal Reorganisation				After the Proposed New ESOS and assuming the New ESOS Options are fully granted and exercised			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of shares	% <sup>*1</sup>	No. of shares	% <sup>*1</sup>	No. of shares	% <sup>*2</sup>	No. of shares	% <sup>*2</sup>	No. of shares	% <sup>*3</sup>	No. of shares	% <sup>*3</sup>
Tan Kai Hee	30,815,999	10.66	43,448,386 <sup>*4</sup>	15.02	30,815,999	10.66	43,448,386 <sup>*4</sup>	15.02	32,815,999 <sup>7</sup>	9.87%	45,648,386 <sup>*4</sup>	13.73
Akintan Sdn. Bhd. Excellant Communication Sdn. Bhd.	23,492,613	8.12	-	-	23,492,613	8.12	-	-	23,492,613	7.06%	-	-
Tan Keng Kang	15,548,679	5.38	-	-	15,548,679	5.38	-	-	15,548,679	4.68%	-	-
Tan Keng Song	12,388,320	4.28	61,876,065 <sup>*4</sup>	21.40	12,388,320	4.28	61,876,065 <sup>*4</sup>	21.40	14,388,320 <sup>7</sup>	4.33%	64,076,065 <sup>**4</sup>	19.27
Phan Van Denh	1,860,000	0.64	73,139,378 <sup>*5</sup>	25.29	1,860,000	0.64	73,139,378 <sup>*5</sup>	25.29	1,860,000	0.56%	77,339,378 <sup>*5</sup>	23.26
	845,743	0.29	73,418,642 <sup>*6</sup>	25.39	845,743	0.29	73,418,642 <sup>*6</sup>	25.39	1,045,743 <sup>*8</sup>	0.31%	77,418,642 <sup>*6</sup>	23.29

#### Notes:-

- \*1 Based on 289,170,402 Hai-O Enterprise Shares in issue (after excluding 11,127,488 treasury shares held by Hai-O Enterprise) as at the LPD.
- \*2 Based on 289,170,404 BESHOM Shares in issue after the Proposed Internal Reorganisation.
- \*3 Based on enlarged 332,545,964 BESHOM Shares in issue after the New ESOS Options are fully granted and exercised under the Proposed New ESOS.
- \*4 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 Enterprise, respectively.
- \*5 Deemed interested through the direct and indirect interest of her family members in Hai-O Enterprise.
- \*6 Deemed interested through the direct and indirect interest of her spouse, Tan Keng Kang.
- \*7 For illustrative purpose, we assumed that 2,000,000 New ESOS Options will be granted to him, who is also the Eligible Person and substantial shareholder.
- \*8 For illustrative purpose, we assumed that 200,000 New ESOS Options will be granted to her, being an Eligible Person and person connected to the Directors.

## Maximum Scenario

	Hai-O Enterprise									
	Shareholdings as at the LPD					Proforma				
	Direct		Indirect			Direct		Indirect		
Substantial Shareholder	No. of shares	% <sup>*1</sup>	No. of shares	% <sup>*1</sup>	No. of shares	% <sup>*2</sup>	No. of shares	% <sup>*2</sup>	No. of shares	% <sup>*2</sup>
Tan Kai Hee	30,815,999	10.66	43,448,386 <sup>*5</sup>	15.02	30,815,999	10.25	43,448,386 <sup>*5</sup>	14.45		
Akintan Sdn. Bhd.	23,492,613	8.12	-	-	23,492,613	7.81	-	-		
Excellant Communication Sdn. Bhd.	15,548,679	5.38	-	-	15,548,679	5.17	-	-		
Tan Keng Kang	12,388,320	4.28	61,876,065 <sup>*5</sup>	21.40	12,388,320	4.12	61,876,065 <sup>*5</sup>	20.58		
Tan Keng Song	1,860,000	0.64	73,139,378 <sup>*6</sup>	25.29	1,860,000	0.62	73,139,378 <sup>*6</sup>	24.32		
Phan Van Denh	845,743	0.29	73,418,642 <sup>*7</sup>	25.39	845,743	0.28	73,418,642 <sup>*7</sup>	24.42		

	BESHOM									
	After the Proposed Internal Reorganisation					After the Proposed New ESOS and assuming the New ESOS Options are fully granted and exercised				
	Direct		Indirect			Direct		Indirect		
Substantial Shareholder	No. of shares	% <sup>*3</sup>	No. of shares	% <sup>*3</sup>	No. of shares	% <sup>*4</sup>	No. of shares	% <sup>*4</sup>	No. of shares	% <sup>*4</sup>
Tan Kai Hee	30,815,999	10.25	43,448,386 <sup>*5</sup>	14.45	32,815,999 <sup>*8</sup>	9.49	45,648,386 <sup>*5</sup>	13.20		
Akintan Sdn. Bhd.	23,492,613	7.81	-	-	23,492,613	6.79	-	-		
Excellant Communication Sdn. Bhd.	15,548,679	5.17	-	-	15,548,679	4.50	-	-		
Tan Keng Kang	12,388,320	4.12	61,876,065 <sup>*5</sup>	20.58	14,388,320 <sup>*8</sup>	4.16	64,076,065 <sup>*5</sup>	18.53		
Tan Keng Song	1,860,000	0.62	73,139,378 <sup>*6</sup>	24.32	1,860,000	0.54	77,339,378 <sup>*6</sup>	22.36		
Phan Van Denh	845,743	0.28	73,418,642 <sup>*7</sup>	24.42	1,045,743 <sup>*9</sup>	0.30	77,418,642 <sup>*7</sup>	22.39		

### Notes:-

- \*1 Based on 289,170,402 Hai-O Enterprise Shares in issue (after excluding 11,127,488 treasury shares held by Hai-O Enterprise) as at the LPD.
- \*2 Based on 300,730,890 Hai-O Enterprise Shares in issue (assuming 433,000 outstanding Existing ESOS Options are exercised and all treasury shares are resold to the market).
- \*3 Based on 300,730,892 BESHOM Shares in issue after the Proposed Internal Reorganisation.
- \*4 Based on enlarged 345,840,525 BESHOM Shares in issue after the New ESOS Options are fully granted and exercised under the Proposed New ESOS.
- \*5 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 Enterprise, respectively.
- \*6 Deemed interested through the direct and indirect interest of her family members in Hai-O Enterprise.
- \*7 Deemed interested through the direct and indirect interest of her spouse, Tan Keng Kang.
- \*8 For illustrative purpose, we assumed that 2,000,000 New ESOS Options will be granted to him, who is also the Eligible Person and substantial shareholder.
- \*9 For illustrative purpose, we assumed that 200,000 New ESOS Options will be granted to her, being an Eligible Person and person connected to the Directors.

## 6.5 Convertible securities

As at the LPD, save for the 433,000 outstanding Existing ESOS Options, Hai-O Enterprise does not have any outstanding convertible securities.

## 6.6 Financial and operational impact of COVID-19 on the Group

The World Health Organisation had on 11 March 2020 declared the COVID 19 outbreak as a global pandemic which seriously impacted the global economy as well as the Malaysian economy. The Government of Malaysia was forced to impose various stages of Movement Control Order (“**MCO**”), Conditional MCO and Recovery MCO since 18 March 2020 to contain the spread of COVID-19. During the MCO, non-essential services were either forced to operate with restrictions or cease their operations. This has affected our Group’s business operations as we are involved in a few main business segments comprising of multi-level marketing segment (“**MLM**”), wholesale segment, retail segment and others.

Our business and operations were temporarily interrupted during the initial stage of COVID-19 outbreak. The performance of our MLM segment was affected during the initial stage of MCO as it is vulnerable to the sluggish consumer spending in the wake of weak market sentiment, political uncertainties following the change in Government, and the COVID-19 pandemic-fuelled economic downturn. We have taken various steps to mitigate the negative impact. Recognising the unprecedented challenges of “new normal” business environment where physical distancing measures would continue to restrict some of our business operations and activities, our MLM segment has aggressively leveraged on e-technology by intensifying marketing strategies via social media and e-commerce platforms to boost sales and encouraging distributors to shift to our online portal to reach out to our members.

For the wholesale segment, it was affected during MCO due to restrictions imposed on some of the wholesale customers who operate restaurants and duty free shops. Our Group’s retail outlets operated at minimal level during the 1st phase of the MCO, and operating hours were scaled back to contain costs when most of the retail outlets resumed business during the 2nd phase of the MCO.

Operationally, as our main businesses are categorised as essential services, we continued to operate during the MCO period. As such, disruptions were minimal and manageable with the exception of during the initial stage of MCO, where our delivery schedules to customers were delayed due to the temporary logistics disruptions.

Moving forward, our Group is expected to undertake ongoing efforts to focus on effective product strategy, digital transformation, and streamline operational process as well as expansion of our distribution channels to reduce dependence on physical business and to ensure minimal disruption to the operating environment for business continuity.

The recent continued fluctuations of COVID-19 infections and the reintroduction of movement restrictions will lead to a challenging domestic economic recovery. However, the impact is mitigated with the start of the National COVID-19 Immunisation Programme which is a key and positive step that should lead the country out of the protracted health crisis to return to positive growth. Our Group is cautiously optimistic but will remain ever vigilant as we continue to deal with the lingering impact and risks of COVID-19 before the country attains herd immunity, while also getting ready to strategise the way forward under a new-normal operating environment even post-COVID-19.

In order to closely manage and monitor workplace safety and health in the midst of the pandemic, we have established a COVID-19 Emergency Response Team (“**CV19-ERT**”) which is led by our Group Managing Director and the Group Executive Director and supported by representatives from our various business locations. The CV19-ERT has assisted in our assessment of the risk exposures of various operational activities and developed policies and procedures in consultation with Ministry of International Trade and Industry, the Ministry of Health, and other relevant authorities with regards to the COVID-19 pandemic. In addition, the CV19-ERT is also tasked to coordinate the timely dissemination of relevant information to stakeholders, employees, as well as the Board.

Among the physical preventive and control measures undertaken to manage COVID-19 risks, we have applied the concept of minimal contact and social / physical distancing as much as possible. Technology capabilities, such as the adoption of QR Code scanning, have also helped us to minimise contact while enabling more efficient tracing if necessary. The COVID-19 management and prevention measures will continue to be implemented and monitored strictly, guided by and in consultation with the relevant authorities, to protect all our stakeholders and the broader community. Lastly, our Group is confident that we will remain resilient amid the challenges of the pandemic.

## 7. HISTORICAL SHARE PRICES

The highest and lowest traded market prices of Hai-O Enterprise Shares traded on the Main Market for each month and the monthly closing market prices of Hai-O Enterprise Shares for the past 12 months up to the LPD are set out below:-

	Highest traded market price	Lowest traded market price
	(RM)	(RM)
<b>2020</b>		
April	1.68	1.25
May	1.91	1.59
June	1.88	1.74
July	1.89	1.74
August	1.81	1.68
September	1.87	1.65
October	2.17	1.79
November	2.11	1.91
December	2.40	2.01
<b>2021</b>		
January	2.24	2.00
February	2.25	2.05
March	2.21	2.10
Last transacted market price of Hai-O Enterprise Shares as at 18 January 2021 (being the last market day prior to the announcement of the Proposals)		2.15
Last transacted market price as at 13 April 2021, being the last market day prior to the LPD		2.19

(Source: Bloomberg)

## 8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to the following:-

- (a) the approval of Bursa Securities for the following which was obtained vide its letter dated 9 April 2021:-
- (i) the admission of BESHOM to the Official List and the listing of and quotation for the entire issued share capital of BESHOM of up to 300,297,892 BESHOM Shares on the "Consumer Products & Services" sector of the Main Market of Bursa Securities, in place of Hai-O Enterprise Shares which shall be delisted; and
  - (ii) the listing of such number of additional new BESHOM Shares representing up to 15% of the issued share capital of BESHOM (excluding treasury shares, if any), to be issued pursuant to the exercise of the New ESOS Options under the Proposed New ESOS.

The approval of Bursa Securities is subject to the following conditions:-

<b>No</b>	<b>Condition</b>	<b>Status of compliance</b>
1	to make the relevant announcements pursuant to Paragraph 8.2 of Practice Note ("PN") 21 of the Listing Requirements;	To be met
2	to notify Bursa Securities in writing 2 clear market days prior to the crediting by Bursa Depository of the entire issued share capital of BESHOM into the respective securities accounts;	To be met
3	to furnish Bursa Securities with a letter confirming that all approvals of the relevant authorities have been obtained together with a copy each of all the said letters;	To be met
4	to furnish Bursa Securities with a written confirmation that BESHOM complies with the public shareholdings spread requirements pursuant to Paragraph 8.02(1) of the Listing Requirements and a certificate of distribution of shares in the format contained Part B(1)(d) of Annexure PN21-A of the Listing Requirements. In this respect, BESHOM must comply with the public shareholdings spread requirements pursuant to Paragraph 8.02(1) of the Listing Requirements upon the admission of BESHOM Shares to the Official List of Bursa Securities;	To be met
5	to furnish Bursa Securities with the letter of undertaking in the format prescribed in Annexure PN21-B of the Listing Requirements duly executed by BESHOM together with a certified true extract of the BESHOM's Board resolution authorising the signatory, before the admission of BESHOM Shares to the Official List of Bursa Securities;	To be met
6	to furnish Bursa Securities with the confirmation letters duly signed by the Directors to be appointed to the BESHOM's Board in the format prescribed in Annexures PN21-C and PN21-D of the Listing Requirements, immediately after their appointments and in any event, before making the relevant announcement pursuant to Paragraph 8.2 of PN21 of the Listing Requirements;	To be met

<b>No</b>	<b>Condition</b>	<b>Status of compliance</b>
7	to furnish Bursa Securities with a confirmation that the requirements stipulated under Paragraphs 15.02, 15.09 and 15.10 of the Listing Requirements have been duly complied together with the relevant document supporting the same;	To be met
8	to furnish Bursa Securities with a copy of the certificate of lodgement of the court order sanctioning the scheme of arrangement after it has been filled with the Companies Commission of Malaysia;	To be met
9	to submit a confirmation to Bursa Securities of full compliance of the Proposed New ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation in accordance with Paragraph 6.43(2) of the Listing Requirements;	To be met
10	to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the New ESOS Options under the Proposed New ESOS as at the end of each quarter together with a detailed computation of listing fees payable;	To be met
11	to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders of Hai-O Enterprise at the forthcoming EGM and CCM approving the Proposed Internal Reorganisation and at the forthcoming EGM approving the Proposed New ESOS;	To be met
12	to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed; and	To be met
13	to inform Bursa Securities upon completion of the Proposals.	To be met
	(b) the approval of the shareholders of Hai-O Enterprise at the forthcoming EGM for the Proposed New ESOS;	
	(c) the approval of the shareholders of Hai-O Enterprise at the forthcoming CCM and EGM for the Proposed Internal Reorganisation;	
	(d) the order of the High Court sanctioning the Proposed Internal Reorganisation;	
	(e) the approval/consents of the financiers/creditors of Hai-O Enterprise, if required; and	
	(f) the approval, consent and/or sanction of any other relevant authorities/parties, if required.	

The Proposed Internal Reorganisation is not conditional upon the Proposed Termination of Existing ESOS and Proposed New ESOS. However, the Proposed Termination of Existing ESOS and Proposed New ESOS are conditional upon the Proposed Internal Reorganisation.

The Proposed New ESOS is conditional upon the Proposed Termination of Existing ESOS. The Proposed Share Exchange and Proposed Transfer of Listing Status are inter-conditional upon each other.

For avoidance of doubt, according to the Existing ESOS By-Law 22.1, the Proposed Termination is not subject to any approvals from Bursa Securities nor shareholders of Hai-O Enterprise.

Save as disclosed above, the Proposals are not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

## 9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors and major shareholders of Hai-O Enterprise, and persons connected with them have any interest, direct or indirect, in the Proposed Internal Reorganisation other than their respective entitlements, if any, under the Proposed Share Exchange as Hai-O Enterprise's shareholders, which are also available to all the other shareholders of Hai-O Enterprise on a pro-rata basis.

All the directors are eligible to participate in the Proposed New ESOS, and are therefore deemed interested to the extent of their respective proposed allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed New ESOS. Accordingly, the directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meeting(s) in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed New ESOS. For avoidance of doubt, BESHOM's Board will be appointed to mirror the Board whilst the current directors of BESHOM shall resign.

The directors will also abstain from voting in respect of their direct and/or indirect shareholdings, if any, at the forthcoming EGM on the ordinary resolutions to be tabled for their respective proposed allocation, if any, as well as the proposed allocations to the persons connected to them, if any.

The directors will undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings, if any, in the Company on the ordinary resolutions pertaining to their respective proposed allocation and the proposed allocations to the persons connected to them to be tabled at the forthcoming EGM of the Company.

The direct and indirect shareholdings of the directors in Hai-O Enterprise as at the LPD are as follows:-

	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of shares	%#	No. of shares	%#
Tan Kai Hee	30,815,999	10.66	43,448,386 <sup>*1</sup>	15.02
Tan Keng Kang	12,388,320	4.28	61,876,065 <sup>*1</sup>	21.40
Hew Von Kin	401,152	0.14	-	-
Chia Kuo Wui	1,381,301	0.48	-	-
Tan Kim Siong	52,000	0.02	7,500 <sup>*2</sup>	_*3
Soon Eng Sing	50,000	0.02	-	-
Ng Chek Yong	-	-	-	-
Tan Beng Ling	-	-	-	-
Professor Hajjah Ruhanas Binti Harun	-	-	-	-

**Notes:-**

- # Based on 289,170,402 Hai-O Enterprise Shares in issue (after excluding 11,127,488 treasury shares held by Hai-O Enterprise) as at the LPD.
- \*1 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 Enterprise respectively.
- \*2 Deemed interested through the direct and indirect interest of his spouse in Hai-O Enterprise.
- \*3 Negligible.

**10. DIRECTORS' RECOMMENDATION**

After taking into consideration all aspects of the Proposed Internal Reorganisation (including but not limited to the rationale, the terms of the Scheme Agreement and the financial effects of the Proposed Internal Reorganisation), the Board is of the opinion that the Proposed Internal Reorganisation is in the best interest of Hai-O Enterprise.

The Board (save for the directors who have abstained from deliberating and making any recommendations relating to their respective allocations as well as allocations to persons connected to them, if any), after considering all aspects of the Proposed New ESOS, is of the opinion that the Proposed New ESOS is in the best interest of the Company.

As such, the Board (save for the directors who have abstained from deliberating and making any recommendations relating to their respective allocations as well as allocations to persons connected to them, if any) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed New ESOS to be tabled at the forthcoming EGM and special resolution pertaining to the Proposed Internal Reorganisation to be tabled at the forthcoming CCM and EGM.

**11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals which are the subject matter of this Explanatory Statement/Circular, our Board confirms that there are no other outstanding corporate exercises that have been announced by our Company, but not yet completed as at the LPD.

**12. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION**

The tentative timetable for the implementation of the Proposals is set out below:-

<b>Tentative dates</b>	<b>Key events</b>
19 May 2021	<ul style="list-style-type: none"><li>• Convening the CCM and the EGM</li></ul>
End of May 2021	<ul style="list-style-type: none"><li>• Submission of application to the High Court for sanction of the Scheme of Arrangement</li></ul>
End of June 2021	<ul style="list-style-type: none"><li>• High Court sanction for the Scheme of Arrangement</li></ul>
Early July 2021	<ul style="list-style-type: none"><li>• Suspension of trading of Hai-O Enterprise Shares</li><li>• Entitlement Date</li></ul>
End July 2021	<ul style="list-style-type: none"><li>• Delisting of Hai-O Enterprise Shares and listing of BESHOM Shares</li></ul>
End July 2021	<ul style="list-style-type: none"><li>• Implementation of the Proposed New ESOS</li></ul>

Barring any unforeseen circumstances, our Board expects the Proposals to be completed/implemented by the 3<sup>rd</sup> quarter of 2021.

### 13. THE CCM AND THE EGM

#### (i) The CCM

The CCM for our shareholders, the notice of which is enclosed with this Explanatory Statement/Circular, will be held on a fully virtual basis through live streaming and online voting with leave of the High Court at Lot 6.03, 6th Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia ("**Broadcast Venue**"), on Wednesday, 19 May 2021 at 10.30 a.m., or at any adjournment thereof, for purpose of considering and, if thought fit, approving, with or without modification, the resolution set out in the notice of CCM.

The voting will be conducted by way of poll. If you are unable to attend and vote in person at the CCM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at our Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or through Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) at least 48 hours before the time appointed for the CCM or at any adjournment thereof. The lodging of the Form of Proxy for the CCM will not preclude you from attending and voting in person at the CCM, should you subsequently decide to do so.

#### (ii) The EGM

The EGM, the notice of which is enclosed with this Explanatory Statement/Circular, will be held on a fully virtual basis through live streaming and online voting at Broadcast Venue, on Wednesday, 19 May 2021 at 11.00 a.m. or immediately following the conclusion of the CCM (which will be held at the Broadcast Venue and on the same day at 10.30 a.m.) whichever is later, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions set out in the notice of EGM.

The voting will be conducted by way of poll. If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at our Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or through Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) at least 48 hours before the time appointed for the EGM or at any adjournment thereof.

The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting in person at the EGM, should you subsequently decide to do so.

It is pertinent to note that, once the Proposed Share Exchange is approved by the shareholders at the forthcoming CCM and EGM and sanctioned by the High Court (with or without modifications) becomes effective, it will be binding upon the Entitled Shareholders, whether or not the Entitled Shareholders were present at the CCM or EGM in person or by proxy or voted for or against the said resolution(s) at the CCM or EGM or voted at all.

For clarity, please note that the requisite majority for passing a resolution at the CCM is different from the requisite majority required for passing of a resolution at the EGM. In essence, the requisite majority for the CCM is a majority in number representing three-fourths in value of the members present and voting either in person or by proxy at the relevant class meeting, whereas the requisite majority for EGM, depending on the nature of the proposed transactions, will be simple majority (namely a majority of more than 50% of the members present and voting either in person or by proxy).

#### **14. FURTHER INFORMATION**

You are advised to refer to the appendices set out in this Explanatory Statement/Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**HAI-O ENTERPRISE BERHAD**

**Tan Keng Kang**  
Group Managing Director

---

**INFORMATION ON BESHOM**


---

**1. HISTORY AND BUSINESS**

BESHOM was incorporated in Malaysia under the Act as a public limited company under the name of Beshom Holdings Berhad on 11 January 2021.

The intended principal activity of BESHOM is investment holding.

**2. SHARE CAPITAL**

As at the LPD, BESHOM has an issued share capital of RM2.00 comprising 2 BESHOM Shares.

**3. SHAREHOLDERS**

As at the LPD, the shareholders and their respective shareholdings in BESHOM are as follows:-

Shareholders	Nationality	Direct		Indirect	
		No. of BESHOM Shares	%	No. of BESHOM Shares	%
Tong Set Wah	Malaysian	1	50.0	-	-
Chew Mei Ling	Malaysian	1	50.0	-	-

**4. DIRECTORS AND DIRECTORS' SHAREHOLDINGS**

As at the LPD, the Directors of BESHOM are Tong Set Wah and Chew Mei Ling. They hold 1 BESHOM Share each. During the implementation of the Proposed Share Exchange, BESHOM's Board will be appointed to mirror the Hai-O Enterprise's Board whilst the current Directors of BESHOM shall resign.

**5. SUBSIDIARIES AND ASSOCIATE COMPANIES**

As at the LPD, BESHOM does not have any subsidiary or associate company. Upon completion of the Proposed Internal Reorganisation, our Company will be a direct wholly-owned subsidiary of BESHOM.

Please refer to **Section 5** of this Explanatory Statement/Circular for further details on the corporate structure of BESHOM upon completion of the Proposed Internal Reorganisation.

**6. PROFIT AND DIVIDEND RECORD**

BESHOM was incorporated on 11 January 2021 to facilitate the implementation of the Proposed Internal Reorganisation and has not commenced operations. As at the LPD, BESHOM does not have any business operations, profit or dividend record.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS**


---

**BESHOM HOLDINGS BERHAD**  
 (Registration No.: 202101001114 (1401412-A))

**BY-LAWS OF THE PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("PROPOSED ESOS")**

**1. DEFINITIONS AND INTERPRETATIONS**

1.1 In these By-Laws, unless otherwise specified, the following definitions shall, where the context so admits, be deemed to have the following meanings:

<b>"Act"</b>	:	Companies Act, 2016, as amended from time to time and any re-enactment thereof;
<b>"Adviser"</b>	:	A person who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007 as defined in the Licensing Handbook issued by the Securities Commission Malaysia, as may be appointed by the Board;
<b>"Auditor"</b>	:	An approved company auditor as defined in Section 263 of the Act, of the Company for the time being or such other external auditors as may be nominated by the Board;
<b>"Board"</b>	:	The Board of Directors of the Company;
<b>"Bursa Depository"</b>	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W));
<b>"Bursa Securities"</b>	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W));
<b>"By-Laws"</b>	:	The terms and conditions of the Scheme (as may be amended from time to time and to be adopted pursuant to By-Law 17);
<b>"CDS"</b>	:	A Central Depository System governed under the Central Depositories Act;
<b>"CDS Account"</b>	:	An account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities;
<b>"Central Depositories Act"</b>	:	The Securities Industry (Central Depositories) Act, 1991, as amended from time to time;
<b>"Company" or "BESHOM"</b>	:	Beshom Holdings Berhad (Registration No.: 202101001114 (1401412-A));
<b>"Constitution"</b>	:	Constitution of the Company, as amended from time to time;
<b>"Date of Allocation"</b>	:	A date to be determined by the ESOS Committee to be the date on which a Selected Person is deemed eligible to participate in the Scheme;

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

<b>“Date of Expiry”</b>	:	The last day of an Option Period;
<b>“Date of Offer”</b>	:	The date of the Offer Letter, as described in By-Law 5.3, being the date on which a Selected Person is deemed to have been notified of an Offer by the ESOS Committee;
<b>“Director”</b>	:	A natural person who holds a directorship in an executive or non-executive capacity in the Group;
<b>“Disciplinary Proceedings”</b>	:	means proceedings instituted against a Selected Person for any alleged negligence, misbehavior, misconduct, fraud, financial misstatement, reputational damage and/or any other act of the Selected Person deemed to be unacceptable by the Company or any of its subsidiaries in the course of that Selected Person’s employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Selected Person;
<b>“Duration of the Scheme”</b>	:	The duration of the Scheme as defined in By-Law 21 and includes any extension or renewal thereof;
<b>“Effective Date”</b>	:	The date of commencement of the Scheme being the date of full compliance with all relevant requirements as stated in By-Law 21;
<b>“Eligible Person”</b>	:	Any Employee or Director satisfying the conditions stipulated in By-Law 3;
<b>“Employee”</b>	:	Any person who is employed by any company within the Group and is on the payroll of the Group including any Executive Director;
<b>“Entitlement Date”</b>	:	The date as of the close of business on which, shareholders whose names must appear in the record of depositors of the Company maintained at Bursa Depository in order to participate in any dividend, right, allotment or other distribution;
<b>“ESOS Committee”</b>	:	The committee consisting of such persons as shall be appointed and duly authorised by the Board, to administer the Scheme in accordance with the provisions of By-Law 16;
<b>“ESOS Option(s)”</b>	:	The right of a Grantee to subscribe for new Shares at the Option Price and where the context so requires, means any part of the ESOS Options as shall remain unexercised;
<b>“Executive Director”</b>	:	A natural person who is a director in a full-time executive capacity who is involved in the day-to-day management and on the payroll of the Group;
<b>“Grantee”</b>	:	A Selected Person who has accepted the Offer in accordance with the provisions of By-Law 6;

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

<b>“Group” or “BESHOM Group”</b>	:	The Company and its subsidiaries incorporated in Malaysia as defined in Section 4 of the Act (excluding subsidiaries which are dormant) and any subsidiary incorporated or acquired at any time during the Duration of the Scheme and where the context so requires, any one of them;
<b>“Listing Requirements”</b>	:	Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time;
<b>“Market Day”</b>	:	Any day between Monday and Friday, both days inclusive, which is a trading day on Bursa Securities;
<b>“Maximum Allowable Allotment”</b>	:	Shall have the same meaning as ascribed to it in By-Law 4.1;
<b>“Notice of Exercise”</b>	:	Shall have the same meaning as ascribed to it in By-Law 9.4;
<b>“Offer”</b>	:	An offer made by the ESOS Committee as set out in By-Law 5 to a Selected Person;
<b>“Offer Letter”</b>	:	Shall have the same meaning as ascribed to it in By-Law 5.3;
<b>“Offeror”</b>	:	Shall have the same meaning as ascribed to it in By-Law 13(a);
<b>“Option Period”</b>	:	The period during which an ESOS Option may be exercised as may be specified in the Offer;
<b>“Option Price”</b>	:	The price at which the Grantee shall be entitled to subscribe for a new Share as set out in By-Law 7;
<b>“Person Connected”</b>	:	Has the same meaning as that assigned to “Person Connected” in Paragraph 1.01 of the Listing Requirements;
<b>“RM” and “sen”</b>	:	Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia;
<b>“Rules of Bursa Depository”</b>	:	The rules of Bursa Depository, as issued pursuant to the Central Depositories Act;
<b>“Scheme”</b>	:	Employees’ share option scheme established by the By-Laws hereto for the grant of ESOS Options to Selected Person to subscribe for new Shares;
<b>“Selected Person”</b>	:	An Eligible Person to whom an Offer is being made pursuant to By-Law 5; and
<b>“Share(s)”</b>	:	Ordinary share(s) in the Company.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- 1.2 In these By-Laws:
- (a) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any Listing Requirements, policies and/or guidelines of Bursa Securities and/or other relevant authorities respectively (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or other relevant authorities);
  - (b) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any ESOS Options offered and accepted prior to the Date of Expiry and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
  - (c) words importing the singular meaning where the context so admits include the plural meaning and vice versa;
  - (d) words of the masculine gender include the feminine gender and all such words shall be construed interchangeably in that manner;
  - (e) any liberty or power which may be exercised or any determination which may be made hereunder by ESOS Committee may be exercised at the ESOS Committee's discretion and the ESOS Committee shall not be under any obligation to give any reasons thereof, except as may be required by the relevant authorities;
  - (f) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and
  - (g) headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.

**2. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME**

- 2.1 Subject to By-Law 2.2, the maximum number of new Shares which may be made available under the Scheme and/ or to be allotted and/or issued pursuant to the exercise of the ESOS Options that may be granted under the Scheme shall not exceed in aggregate fifteen percent (15%) of the prevailing total number of issued shares of the Company (excluding treasury shares, if any) at any point in time when an Offer is made throughout the Duration of the Scheme.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- 2.2 Notwithstanding the provisions of By-Law 2.1 or any other provision herein contained, in the event the maximum number of new Shares comprised in the ESOS Options granted under the Scheme exceeds the aggregate of fifteen percent (15%) of the prevailing total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing, cancelling or reducing its own Shares in accordance with the provisions of Section 127 of the Act or any other corporate proposal and thereby diminishing its total number of issued shares of the Company, then such ESOS Options granted prior to the adjustment of the total number of issued shares of the Company shall remain valid and exercisable in accordance with the provisions of the By-Laws. However, in such a situation, the Company shall not make any more new Offers until the total number of Shares under the subsisting ESOS Options including Shares that have been issued under the Scheme falls below fifteen percent (15%) of the Company's total number of issued shares (excluding treasury shares, if any).
- 2.3 Each ESOS Option shall be exercisable into one (1) new fully paid-up Share in accordance with these By-Laws.

**3. ELIGIBILITY**

- 3.1 Subject to the discretion of the ESOS Committee, only Eligible Persons who fulfil the following conditions shall be eligible to participate in the Scheme and qualify for selection by the ESOS Committee, if, as at the Date of Allocation:
- (a) such Employee:
    - (i) is at least eighteen (18) years of age;
    - (ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
    - (iii) is confirmed in writing as a full time employee and has been in the employment of the Group for such period as may be determined by the ESOS Committee and is on the payroll of any company within the Group and his employment has been confirmed, and has not served a notice to resign or received a notice of termination prior to the Date of Offer (as may be applicable);
    - (iv) is serving under an employment contract for a fixed duration of at least one (1) year in the Group and continuously in service for at least two (2) years in the Group (as may be applicable); and
    - (v) fulfils any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time,
  - (b) such Director:
    - (i) is at least eighteen (18) years of age;
    - (ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
    - (iii) has been appointed as a director of any entity within the Group; and
    - (iv) fulfils any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time,

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

provided that nothing herein shall invalidate any selection of any Eligible Person which may have been made by the Board on or prior to the Effective Date. For the avoidance of doubt, the ESOS Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in By-Law 3.1, for purposes of selecting an Eligible Person at any time and from time to time, in the ESOS Committee's discretion which shall be final and binding.

- 3.2 Notwithstanding anything set out in these By-Laws and subject to the Listing Requirements, no Offers may be granted to any person who is a director, a major shareholder, chief executive of the Company, or a Person Connected with a director, major shareholder or chief executive of the Company, unless the specific grant of that Offer to that person shall have previously been approved by the shareholders of the Company in a general meeting. For the avoidance of doubt, director, major shareholder or chief executive of the Company shall have the meaning assigned under the Listing Requirements.
- 3.3 In a meeting to obtain shareholders' approval in respect of the grant of the Offer, any person who is a director, a major shareholder, chief executive of the Company, or a Person Connected with a director, major shareholder or chief executive of the Company must abstain from voting on the resolution approving the said allotment.
- 3.4 Eligibility, however, does not confer on an Eligible Person a claim or right to participate in the Scheme unless the ESOS Committee has made an offer in writing to the Eligible Person under By-Law 5 and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.
- 3.5 The ESOS Committee may in its discretion revoke or suspend the nomination of any Eligible Person at any time and from time to time, whereupon such Eligible Person shall henceforth cease to be eligible for any Offers under this Scheme.
- 3.6 The ESOS Committee shall have the sole and absolute discretion not to make further Offers regardless of the amount of the ESOS Options available.

#### **4. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT OF SHARES**

- 4.1 Subject to By-Law 2 and any adjustments which may be made under By-Law 14, the aggregate number of new Shares comprised in the ESOS Options to be offered to an Eligible Person in accordance with the Scheme shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the Selected Person's position, job grade, seniority, the years of service, job performance and such factors that the ESOS Committee may deem relevant in its discretion, subject to the following:
  - (a) that the number of ESOS Options made available under the Scheme shall not exceed the amount stipulated in By-Law 2.1;
  - (b) not more than ten percent (10%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued shares made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds twenty percent (20%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any) ("**Maximum Allowable Allotment**");

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

- (c) up to a maximum of fifty percent (50%) of the total number of Shares to be issued under the Scheme could be allocated, in aggregate, to the directors and senior management of the Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the ESOS Committee from time to time); and
- (d) the Directors, senior management of the Group and any member of the ESOS Committee shall not participate in the voting, deliberation or discussion of their own allocations as well as any Persons Connected with them, if any, of ESOS Options under the Scheme,

provided always that it is in compliance with the Listing Requirements, any prevailing guidelines, rules, regulations or requirements as amended from time to time issued by any other relevant regulatory authorities.

- 4.2 At the time the Offer is made in accordance with By-Law 5, the ESOS Committee shall set out, among others, the basis of allocation, identifying the category or grade of the Employee and the Maximum Allowable Allotment for the Eligible Person.
- 4.3 Any Selected Person who holds more than one (1) position within the Group and by holding such positions such Selected Person is in more than one category, such Selected Person shall only be entitled to the Maximum Allowable Allotment of any one category. The ESOS Committee shall be entitled at its discretion to determine the applicable category.
- 4.4 In the event that a Selected Person is upgraded or promoted or demoted, the Maximum Allowable Allotment corresponding to the category of Employee which such Selected Person falls within as at the Date of Allocation shall be revised accordingly, subject always to the maximum number of Shares available under the Scheme as stipulated under By-Law 2.1.
- 4.5 The ESOS Committee shall also have the sole and absolute discretion to determine, amongst others:
  - (a) the maximum number of ESOS Options that will be made available to an Eligible Person under the Scheme and the aggregate maximum number of ESOS Options that can be awarded under the Scheme from time to time;
  - (b) whether the ESOS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to achievement of performance targets;
  - (c) whether or not to stagger the allocation of the ESOS Options over the Duration of the Scheme will be determined by the ESOS Committee at its sole discretion; and
  - (d) such other terms and conditions it shall deem fit and appropriate to be imposed for participation in the Scheme.

## **5. OFFER**

- 5.1 Subject to and in accordance with the provisions of these By-Laws, the ESOS Committee may at its discretion at any time from the Effective Date offer ESOS Options to a Selected Person after taking into consideration such criteria as the ESOS Committee deems fit, including but not limited to the Selected Person's position, job grade, job performance, years of service and contribution to the Group.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- 5.2 The actual number of new Shares which may be offered to a Selected Person shall be at the discretion of the ESOS Committee but shall not be more than the Maximum Allowable Allotment as set out in By-Law 4.
- 5.3 The ESOS Committee will in its offer document ("**Offer Letter**") to a Selected Person state, inter alia, the number of Shares that can be subscribed under the Offer, the Option Price determined in accordance with the provisions of By-Law 7, the closing date for acceptance of the Offer and the manner of exercise of Options and vesting conditions of exercise of the ESOS Options (if any). The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Selected Person or the Selected Person ceasing to be an Eligible Person for any reason whatsoever prior to the acceptance of the Offer by the Selected Person in the manner set out in By-Law 6.
- 5.4 Nothing herein shall prevent the ESOS Committee from making more than one (1) Offer during the Duration of the Scheme to a Selected Person provided always that the total aggregate number of ESOS Options offered to any Selected Person including ESOS Options which have been exercised, if any, shall not exceed the Maximum Allowable Allotment. Each Offer made to any Selected Person by the ESOS Committee be separate and independent from any previous or later Offer made by the ESOS Committee to that Selected Person.
- 5.5 The Company shall keep and maintain at its expense a register of Grantees as required under Section 129 of the Act.
- 5.6 The Company shall, on the Date of the Offer, announce amongst others the following to Bursa Securities upon the ESOS Options offered under the Scheme:
- (a) Date of Offer;
  - (b) exercise price of ESOS Options offered;
  - (c) number of ESOS Options offered;
  - (d) market price of its securities on the Date of the Offer;
  - (e) number of ESOS Options offered to each Director, if any; and
  - (f) vesting period of the ESOS Options offered, if any.
- 5.7 An Offer shall be made in writing and in any manner as the ESOS Committee shall determine and may be made upon such terms and conditions as the ESOS Committee may decide from time to time. Nothing herein shall require any Offer made to be the same as or similar to other Offers previously or subsequently made whether to the same or a different Selected Person.
- 5.8 The actual number of Shares under the ESOS Options which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee and shall not be less than one hundred (100) Shares and shall be in the multiples of one hundred (100) Shares (or in any other denomination as may be prescribed by Bursa Securities as a board lot).

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

**6. ACCEPTANCE OF OFFER**

- 6.1 An Offer made by the ESOS Committee under By-Law 5 shall be valid for a period of thirty (30) days from the Date of Offer or such period as may be determined by the ESOS Committee, and may be accepted within this prescribed period by the Selected Person to whom the Offer is made by a notice (in a format to be prescribed by the ESOS Committee) to the ESOS Committee of such acceptance accompanied by a payment to the Company of a nominal non-refundable sum of Ringgit Malaysia One (RM1.00) as consideration for the grant of the ESOS Option.
- 6.2 If the Offer is not accepted in the manner aforesaid within the prescribed period of thirty (30) days from the Date of Offer or such period as may be determined by the ESOS Committee, such Offer shall upon the expiry of the said prescribed period, automatically lapse and be null and void and be of no further force and effect, and the new Shares comprised in the ESOS Options may at the discretion of the ESOS Committee be re-offered to Eligible Persons.
- 6.3 The ESOS Committee shall within thirty (30) days of acceptance by the Offer by the Eligible Person issue to the Grantee a certificate of the ESOS Option in such form as may be determined by the ESOS Committee from time to time stating, amongst other matters, the number of Shares granted under the ESOS Option, the Option Price and the Option Period.

**7. OPTION PRICE**

- 7.1 Subject to any adjustment in accordance with the By-Laws, the Option Price shall be determined based on the five (5)-day volume weighted average market price of the Shares immediately preceding the Date of Offer, with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme.
- 7.2 The Option Price as determined by the Board shall be conclusive and binding on the Grantees and shall be subject to any adjustments in accordance with By-Law 14.

**8. NON-ASSIGNABLE**

An ESOS Option is personal to the Grantee. Save and except as provided in By-Law 18.4, an ESOS Option cannot be assigned, encumbered, transferred or otherwise disposed of in any manner whatsoever.

**9. EXERCISE OF ESOS OPTION**

- 9.1 An ESOS Option granted to a Grantee under the Scheme, subject to the provisions of By-Law 18, is exercisable by that Grantee while the Grantee is under the employment by or appointment of the Group within the Option Period. All unexercised ESOS Options shall become null and void after the Date of Expiry.
- 9.2 Upon acceptance of an Offer, the Grantee may during the Option Period exercise his ESOS Options at such time and in such manner and subject to such conditions as stipulated in the Offer Letter.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- 9.3 The ESOS Committee may, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Options to a maximum number of new Shares and/or such percentage of the total new Shares comprised in the ESOS Options during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESOS Committee in its discretion including amending/varying any terms and conditions imposed earlier.
- 9.4 The Grantee shall notify the Company of his intention to exercise an ESOS Option in such form and manner as the ESOS Committee may prescribe or approve ("**Notice of Exercise**"). The Grantee shall, simultaneously with his exercise of the ESOS Option (or within such period as the ESOS Committee may prescribe), forward to the Company a remittance for the full amount of the subscription monies for the new Shares in respect of which the Notice of Exercise is given. An ESOS Option may be exercised in such manner and subject to such conditions as stipulated in the Offer Letter in respect of such lesser number of new Shares as the Grantee may decide to exercise. Such partial exercise of an ESOS Option shall not preclude the Grantee from exercising the ESOS Option as to the balance of any new Shares, if any, which he is entitled to subscribe under the Scheme.
- 9.5 The Grantee shall provide all information as required in the Notice of Exercise and the Company shall within eight (8) Market Days or such period as Bursa Securities may prescribe after the receipt of a valid Notice of Exercise and remittance from the Grantee allot and despatch the notice of allotment for the relevant number of Shares to the Grantee upon and subject to the Constitution, the Central Depositories Act and the Rules of Bursa Depository. No physical share certificates will be delivered to the Grantee.
- 9.6 Any failure to comply with the foregoing provisions and/or to provide all information as required in the Notice of Exercise or inaccuracy in the information provided shall result in the Notice of Exercise being rejected. The ESOS Committee shall inform the Grantee of the rejection of the Notice of Exercise and the Grantee shall then be deemed not to have exercised his ESOS Options.
- 9.7 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESOS Committee shall have the right at its discretion by notice to that effect:
- (a) to suspend the right of any Grantee who is found to have contravened the written policies and guidelines of the Group and/or the terms and conditions of the Grantee's employment (whether or not such contravention may give rise to a Disciplinary Proceeding being instituted) to exercise his ESOS Option. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate in its discretion, on the right of exercise of his ESOS Option having regard to the nature of the contravention provided always that in the event such contravention results in the dismissal or termination of service of such Grantee, the ESOS Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
  - (b) to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee) to exercise his ESOS Option pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate in its discretion, on the right of exercise of his ESOS Option having regard to the nature of the charges made or brought against such Grantee, provided always that:

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

- (i) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the ESOS Committee shall reinstate the right of such Grantee to exercise his ESOS Option; or
- (ii) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the ESOS Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
- (iii) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his ESOS Option and if so, to impose such terms and conditions or make such downward adjustment as it deems appropriate, on such exercise.

Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer to such Selected Person in the event that such disciplinary actions are not found against him or if such disciplinary actions are withdrawn.

- 9.8 Each ESOS Option shall be subject to the condition that no new Shares shall be issued to the Grantee pursuant to the exercise of the ESOS Option if such issue shall be contrary to any laws, rules and/or regulations of any regulatory body or authorities which may be in force during the Option Period.

## **10. RIGHTS OF A GRANTEE**

- 10.1 The ESOS Options shall not carry any right to vote at any general meeting of the Company.
- 10.2 A Grantee shall not be entitled to any dividends, right or other entitlement on his unexercised ESOS Options.

## **11. RANKING AND LISTING OF AND QUOTATION FOR THE NEW SHARES**

- 11.1 The new Shares to be allotted and issued upon any exercise of the ESOS Options will upon such allotment and issuance, rank *pari passu* in all respects with the then existing issued shares except that the new Shares so issued and allotted will not be entitled to any dividends, rights, allotments and/or other distributions where the Entitlement Date of which is prior to the date of which the new Shares are credited into the CDS Accounts of the Grantees.
- 11.2 The Grantees will not be entitled to any dividends, rights, allotments and/or other distributions until and unless such Grantees exercise their ESOS Options into new Shares and such new Shares are credited into the Grantees' respective CDS Accounts.
- 11.3 The new Shares allotted and credited into the CDS Accounts would also carry rights to vote at any general meeting of the Company provided that the shareholder is registered on the Entitlement Date as at the close of business to be entitled to attend and vote at the general meeting.
- 11.4 The new Shares shall be subjected to all the provisions of the Constitution in relation to their issuance and allotment, transfer, transmission or otherwise.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

**12. RETENTION PERIOD**

- 12.1 The new Shares to be allotted and issued to a Grantee pursuant to the exercise of an ESOS Option under the Scheme will not be subject to any retention period or restriction on transfer unless imposed by the ESOS Committee at its discretion. However, the Grantees are encouraged to hold the new Shares as a long-term investment and not for any speculative and/or realisation of any immediate gain.
- 12.2 Subject to the Listing Requirements, an Eligible Person who is a non-executive director must not sell, transfer or assign Shares obtained through the exercise of ESOS Options offered within one (1) year from the Date of Offer.

**13. TAKEOVER AND COMPULSORY ACQUISITION**

In the event of:

- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the total number of the issued shares of the Company (or such part thereof not at the time owned by the person making the general offer (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date,

the ESOS Committee may at its discretion to the extent permitted by law allow the exercise of any unexercised ESOS Options (or any part thereof) by the Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the date on which the Grantee becomes entitled to exercise the ESOS Options or any part thereof is not due or has not occurred;
- (ii) the Option Period has not commenced; and/or
- (iii) other terms and conditions set out in the Offer have not been fulfilled/satisfied.

**14. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT**

14.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profits or reserves, rights issues, bonus issue, subdivision or consolidation of shares or capital reduction or any other variation of capital:

- (a) the number of new Shares which a Grantee shall be entitled to subscribe for upon the exercise of each ESOS Option (excluding ESOS Options already exercised); and/or
- (b) the Option Price,

shall be adjusted, provided always that:

- (i) on any such adjustment the resultant Option Price, if not an integral multiple of one (1) sen shall be rounded up to the nearest one (1) sen and in no event shall any adjustment involve an increase in the Option Price or reduce the number of ESOS Options that a Grantee is already entitled to;

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

- (ii) upon any adjustment being made pursuant to these By-Laws, the ESOS Committee shall within thirty (30) calendar days of the effective date of the alteration in the capital structure of the Company notify the Grantee (or his legal or personal representatives where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of new Shares thereafter to be issued on the exercise of the ESOS Option;
- (iii) in determining a Grantee's entitlement to subscribe for new Shares, any fractional entitlement shall be rounded down to the nearest whole number and dealt with by the ESOS Committee at its sole and absolute discretion; and
- (iv) any adjustment made must be in compliance with the provisions for adjustment as provided in these By-Laws.

In addition, the Company, shall at the request of the Grantee, furnish such Grantee with a copy of the certificate from an Auditor and/or an Adviser to the effect that the opinion of such auditor, acting as an expert and not an arbitrator, an adjustment is fair and reasonable either generally or as regard such Grantee, and such certification shall be final and binding on all parties.

Nevertheless, any adjustments to the Option Price and/or the number of ESOS Options so far as unexercised arising from bonus issues, need not be confirmed in writing by the Auditor and/or Adviser.

Any adjustments to the Option Price and/or the number of new Shares comprised in the ESOS Options so far as unexercised other than bonus issue, must be confirmed in writing by the Auditor and/or Adviser (acting as experts not as arbitrators), upon reference to them by the ESOS Committee, to be in their opinion, fair and reasonable.

Should there be other circumstances which give rise to a consideration for adjustments to the Option Price or the number of new Shares in favour of all Grantees, but it is decided that no adjustments will be made, such decision must be made known to all the Grantees via a timely notice, within fourteen (14) days from the date such decision has been finalised, subject to compliance with the Listing Requirements.

- 14.2 In addition to By-Law 14.1 and not in derogation thereof, the Option Price and the number of new Shares relating to the ESOS Options so far as unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with an Auditor and/or Adviser of the Company:

- (i) If and whenever the Company shall make any issue of Shares to shareholders credited as fully paid, by way of bonus issue or capitalisation of profits or reserves, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

and the number of ESOS Options shall be adjusted by multiplying the existing number of ESOS Options held by the following fraction:

$$\frac{A + B}{A}$$

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

where:

- A = the aggregate number of issued shares capital on the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other forms of distributions) immediately before such bonus issue or capitalisation issue; and
- B = the aggregate number of Shares to be issued pursuant to any allotment to shareholders credited as fully paid by way of bonus issue or capitalisation of profits or reserves.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the Entitlement Date.

- (ii) If and whenever the Company shall make:
- (a) Capital Distribution (as defined below) to shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets);
- (b) any offer or invitation to shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (c) any offer or invitation to shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares,

then and in respect of each such case, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

where:

- C = the 5-day volume weighted average market price up to the Market Day of each Share as shall be determined in accordance with any guideline or rule issued by the relevant authorities from time to time, if any, or if there is none, the current market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution (as defined below) or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement), immediately preceding the date of the Capital Distribution (as defined below) or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of any offer or invitation to acquire or subscribe for Shares by way of rights or for securities convertible into Shares under By-Law 14.2(ii)(b) and By-Law 14.2(ii)(c) respectively, the value of rights attributable to one (1) Share (as defined below); or
- (bb) in the case of any other transaction falling within By-Law 14.2(ii), the fair market value as determined by the Company in consultation with the Auditor and/or the Adviser, of that portion of the Capital Distribution attributable to one (1) Share.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

For the purpose of paragraph (aa) of D above, the "**value of the rights attributable to one (1) Share**" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where:

- C = as C above (By-Law 14.2(ii));
- E = the option consideration for one (1) additional Share under the terms of such offer or invitation or subscription price of one (1) additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation; and
- F = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into rights to acquire or subscribe for one (1) additional Share;

and in respect of the case referred to in By-Law 14.2(ii)(b), the number of ESOS Options shall be adjusted by multiplying the existing number of ESOS Options held by the following fraction:

$$\frac{C}{C - D^*}$$

where:

- C = as C above (By-Law 14.2 (ii)); and
- D\* = the value of rights attributable to one (1) Share (as defined below);

For the purpose of definition D\* above, the "**value of the rights attributable to one (1) Share**" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

where:

- C = as C above (By-Law 14.2 (ii));
- E\* = the option consideration for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and
- F\* = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

For the purposes of By-Law 14.1 and By-Law 14.2(ii), "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (not falling under By-Law 14.2(i)) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves.

Any dividend charged or provided for in the accounts pertaining to any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders for any period after as shown in the audited consolidated statement of comprehensive income of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the Entitlement Date for such transactions.

- (iii) If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 14.2(i) and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 14.2(ii)(b) or By-Law 14.2(ii)(c) and the Entitlement Date for the purposes of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and in respect of each case referred to in By-Law 14.2(i) and By-Law 14.2(ii)(b) and the Entitlement Date for the purposes of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of ESOS Options held by each Grantee shall be adjusted by multiplying the existing number of ESOS Options held by the following fraction:

$$\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

where:

- B = as B above (By-Law 14.2(i));
- C = as C above (By-Law 14.2(ii));
- G = the aggregate number of issued share capital on the Entitlement Date;
- H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;
- H\* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

- I = the option consideration of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be; and
- I\* = the option consideration of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the Entitlement Date for the above transactions.

- (iv) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 14.2(ii)(b) together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for Shares as provided in By-Law 14.2(ii)(c) and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the number of ESOS Options held by each Grantee shall be adjusted by multiplying the existing number of ESOS Options by the following fraction:

$$\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

where:

- C = as C above (By-Law 14.2(ii));
- G = as G above (By-Law 14.2(iii));
- H = as H above (By-Law 14.2(iii));
- H\* = as H\* above (By-Law 14.2(iii));
- I = as I above (By-Law 14.2(iii));
- I\* = as I\* above (By-Law 14.2(iii));
- J = the aggregate number of Share to be issued to its ordinary shareholders upon conversion of such securities or exercise of such right to subscribe for Shares by the ordinary shareholders of the Company; and
- K = the exercise price on the conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the Entitlement Date for the above transactions.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

- (v) If and whenever the Company makes an allotment to its shareholders as provided in By-Law 14.2(i) and also makes an offer or invitation to acquire or subscribe for Share to its shareholders as provided in By-Law 14.2(ii)(b), together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Shares as provided in By-Law 14.2(ii)(c), and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the number of ESOS Options held by each Grantee shall be adjusted by multiplying the existing number of ESOS Options held by the following fraction:

$$\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

where:

- B = as B above (By-Law 14.2(i));  
 C = as C above (By-Law 14.2(ii));  
 G = as G above (By-Law 14.2(iii));  
 H = as H above (By-Law 14.2(iii));  
 H\* = as H\* above (By-Law 14.2(iii));  
 I = as I above (By-Law 14.2(iii));  
 I\* = as I\* above (By-Law 14.2(iii));  
 J = as J above (By-Law 14.2(iv));  
 K = as K above (By-Law 14.2(iv));

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the Entitlement Date for the above transaction.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of the Market Day next preceding the date on which the issue is announced or (failing any such announcement) immediately preceding the date on which the Company determined the offering price of such Shares, securities or rights. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the completion of the above transaction.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**


---

- (vi) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 14.2(ii)(b), 14.2(ii)(c), 14.2(iii), 14.2 (iv) and 14.2(v) above), the Company shall issue either any Shares or any securities convertible into Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share is less than ninety per cent (90%) of the Average Price (as defined below) for one (1) Share or, as the case may be, the price at which Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L+M}{L+N}$$

where:

- L = the number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into Shares or with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of this By-Law 14.2(vi), the “**Total Effective Consideration**” shall be as determined by the ESOS Committee and shall be:

- (1) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;
- (2) in the case of the issue by the Company of securities wholly or partly convertible into Shares the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (3) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with total amount receivable by the Company upon full exercise of such rights.

---

DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)

---

In each case without deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "**Total Effective Consideration Per Share**" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights. Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the Market Day immediately preceding the date on which the issue is announced or (if failing such announcement) immediately preceding the date on which the Company determines the offering price of such Shares, securities or rights.

For the purpose of this By-Law:

"**Current Market Price**" means in relation to each Share for any relevant day the weighted average of the last dealt prices for each Share quoted on Bursa Securities for the five (5) consecutive Market Days before such date for one (1) or more board lots of Shares as quoted on Bursa Securities; and

"**Average Price**" means the average of the Last Dealt Price (defined below) on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined; and

"**Last Dealt Price**" means in relation to a Share, the last dealt price per Share for one (1) or more board lots of Shares quoted on Bursa Securities.

- (vii) If and whenever the Company shall alter the capital structure of the Company during the Option, whether by way of consolidation, subdivision or conversion, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

and the number of ESOS Options shall be adjusted by multiplying the existing number of ESOS Options held by the following fraction:

$$\frac{B}{A}$$

A = as the aggregate number of issued shares capital on the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other forms of distributions) immediately before such consolidation, subdivision or conversion; and

B = the aggregate number of Shares immediately after such consolidation, subdivision or conversion.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- 14.3 The provisions of By-Law 14 shall not apply where the alteration in the capital structure of the Company arises from:
- (a) the issue of new Shares in consideration or part consideration for an acquisition; or
  - (b) a special issue of new Shares to Bumiputera parties/investors approved by the Ministry of International Trade and Industry, Malaysia and/or other Government authorities to comply with the Government policy on Bumiputera capital participation; or
  - (c) a special issue, private placement or restricted issue of new Shares by the Company; or
  - (d) a share buy-back arrangement by the Company and the cancellation of all or a portion of the Shares pursuant to the relevant provision of the Act; or
  - (e) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other conversion rights attached to such convertible securities including warrants (if any) issued by the Company; or
  - (f) an issue of new Shares upon the exercise of ESOS Options pursuant to the Scheme; or
  - (g) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares to its officers, including Directors or Employees pursuant to purchase or option schemes approved by the Shareholders in general meeting;
  - (h) any issue of Shares by the Company (other than bonus and rights issue) pursuant to a dividend reinvestment scheme undertaken in accordance with the Listing Requirements or for any purpose whatsoever;
  - (i) any issue of Shares as share dividend as long as it is not a material capital distribution; and
  - (j) a purchase by the Company of its own Shares and cancellation of all or a portion of such Shares purchased pursuant to Section 127 of the Act, or any replacement thereof. In this event, the following provisions shall apply:
    - (i) if the number of ESOS Options granted by the Company as at the date of cancellation of Shares so purchased is greater than ten percent (10%) of the shares of the Company after such cancellation, the ESOS Committee shall not make any further Offers; and
    - (ii) if the number of Options granted by the Company as at the date of cancellation of Shares so purchased is less than ten percent (10%) of the issued shares of the Company after such cancellation, the ESOS Committee may make further Offers only until the total number of Options granted by the Company is equivalent to ten percent (10%) of the issued shares of the Company after such cancellation.
- 14.4 Upon any adjustment being made, the ESOS Committee shall give notice in writing within fourteen (14) days from the date of adjustment to the Grantee, or his legal or personal representatives where applicable, to inform him of the adjustment and the event giving rise thereto.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- 14.5 The decision of the ESOS Committee as to whether any adjustment shall be made or not made to the Option Price and/or the number of new Shares comprised in the ESOS Option or any portion thereof pursuant to By-Law 14 is final, binding and conclusive.

**15. LISTING AND QUOTATION OF NEW SHARES**

- 15.1 The new Shares to be allotted to the Grantee will not be listed or quoted on Bursa Securities until the ESOS Option is exercised in accordance with the provisions of By-Law 9 whereupon the Company shall:

- (a) issue and/or allot the Shares;
- (b) despatch a notice of allotment to the Grantee; and
- (c) apply for the quotation of such Shares,

within eight (8) Market Days or such period as Bursa Securities may prescribe after the receipt of the Notice of Exercise and remittance from the Grantee.

- 15.2 The Company and the ESOS Committee shall not under any circumstances be held liable for any costs, losses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring the Bursa Securities to list the Shares for which the Grantee is entitled to subscribe.

**16. ADMINISTRATION OF THE SCHEME**

- 16.1 The ESOS Committee shall implement and administer the Scheme in such manner as it shall in its discretion deem fit. The ESOS Committee shall comprise such persons appointed by the Board from time to time and shall be vested with such powers and duties as are conferred upon it by the Board including but not limited to the powers to:

- (a) subject to the provisions of the Scheme, do all such acts and things and enter into and/or cause the Company to enter into any transactions, agreements, deeds and documents, arrangements or undertakings construe and interpret the Scheme and ESOS Options granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke guidelines, rules and regulations or impose or waive any terms and conditions for the implementation and administration of the Scheme and to give effect to the provisions of the Scheme and/or to enhance the benefit of the Offers to the Selected Persons as the ESOS Committee in its discretion deems fit, necessary and/or expedient for the implementation and administration of the Scheme. The ESOS Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an ESOS Option in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
- (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- 16.2 The Board shall have power from time to time to:
- (a) approve, rescind and / or revoke the appointment of any person in the ESOS Committee and appoint his replacement where the Board deems fit;
  - (b) assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to these By-Laws; and
  - (c) amend, modify or vary the terms of reference of the ESOS Committee.

**17. AMENDMENT AND/OR MODIFICATION TO THE BY-LAWS**

- 17.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESOS Committee may at any time recommend to the Board who shall have the power at any time and from time to time by resolution to amend and/or modify all or any part of the By-Laws as it shall in its discretion deem fit and the Board shall have the power by resolution to add, amend or modify and/or delete all or any of the By-Laws under such recommendation.
- 17.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions, amendments to, or deletions of these By-Laws except that subject to any applicable laws, no addition, amendment or deletion shall be made to these By-Laws without the prior approval of the Company's shareholders in a general meeting which would:
- (a) materially prejudice any rights which have accrued to any Grantee without his/her prior consent; or
  - (b) alter to the advantage of any Grantee without the prior approval of shareholders of the Company in a general meeting in accordance with the provisions set out in these By-Laws; or
  - (c) increase the number of new Shares available under the Scheme beyond the maximum imposed by By-Law 2.1.
- 17.3 Subject to the compliance with the Listing Requirements and any other relevant rules and regulations, the prior approval of Bursa Securities and/or any other relevant authorities is not required for any subsequent amendment or modification to the By-Laws. However, a letter of compliance together with the amended By-Laws shall be submitted to Bursa Securities in the manner prescribed by Paragraphs 2.11 and 2.12 of the Listing Requirements, each time an amendment or modification is made, stating that the amendment or modification is in compliance with the provisions of the Listing Requirements and Rules of Bursa Depository.

**18. TERMINATION OF ESOS OPTIONS**

- 18.1 In the event of cessation or termination of employment or appointment of a Grantee with the Group for whatever reason, including but not limited to the receipt of a letter of termination or resignation by the Grantees, prior to the exercise of his ESOS Options or prior to full exercise of his ESOS Options, as the case may be, such ESOS Option shall cease immediately and become null and void on the date of such notice of cessation or termination without any claim against the Company provided always that, subject to the approval of the ESOS Committee in its discretion, where the Grantee ceases his employment or appointment with the Group by reason of:

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- (a) retirement upon attaining the normal retirement age under the Group's retirement policy; or
- (b) subjected to Disciplinary Proceedings pursuant to By-Law 9.7(b); or
- (c) ill-health, injury, physical or mental disability; or
- (d) redundancy or retrenchment, pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the Group; or
- (e) transfer of employees to any company outside the Group at the direction of the Company; and/or
- (f) any other reasons as may be determined by the ESOS Committee,

a Grantee may exercise his unexercised ESOS Options for such period as may be determined by the ESOS Committee within the relevant Option Period provided always that such exercise shall always be subject to any restriction in the Offer Letter on the maximum percentage of the Grantee's ESOS Options that may be exercisable within each year of the Scheme (unless otherwise approved by the ESOS Committee). All unexercised or partially exercised ESOS Options of such Grantee shall become null and void after the expiry of such period.

- 18.2 If a Grantee ceases his employment or appointment with the Group by reason of his resignation, his remaining unexercised ESOS Options shall cease with immediate effect and become null and void on the effective date of such notice of cessation.
- 18.3 An ESOS Option shall immediately become void and be of no further force and effect upon the Grantee being adjudicated a bankrupt.
- 18.4 In the event where a Grantee dies before the expiration of the Option Period and at the time of his death held unexercised ESOS Options, such unexercised ESOS Options may be exercised by the legal or personal representative(s) of the Grantee after the date of his death within the Option Period subject to approval of the ESOS Committee. The proportion exercisable is at the discretion of the ESOS Committee.
- 18.5 Upon termination of the ESOS Options pursuant to the above, the Grantee shall have no right to compensation or damages or any claim against the Company from any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him ceasing to hold office or employment or from the suspension of his right to exercise his ESOS Options or his ESOS Options ceasing to be valid.
- 18.6 Any ESOS Option that has lapsed and become null and void pursuant to By-Law 18 shall at the discretion of the ESOS Committee be re-allocated to other Eligible Persons.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

**19. LIQUIDATION OF THE COMPANY**

- 19.1 Upon the receipt of a court order of the winding-up of the Company or resolution is passed for the liquidation of the Company, all unexercised or partially exercised ESOS Options shall lapse and be null and void and of no further force and effect, and this Scheme shall terminate on the date of liquidation or winding up, that date being:
- (a) in the case of voluntarily winding up, the earlier of:
    - (i) the date on which a provisional liquidator is appointed by the Company; or
    - (ii) the date on which the shareholders of the Company passed a resolution to voluntarily wind-up the Company; or
  - (b) in the case of an involuntarily winding-up, the date on which a petition for winding up is served on the Company.

**20. DIVESTMENT FROM AND TRANSFER TO/ FROM THE GROUP**

- 20.1 If the Grantee who was in the employment of a company in the Group which was subsequently divested from the Group resulting in that company ceasing to be a subsidiary of the Group, the ESOS Option(s) unexercised on the date of such company ceasing to be a subsidiary, shall be null and void and be of no effect with effect from the date the relevant company ceases to be a subsidiary of the Company. Such Grantee shall not be eligible to participate for further ESOS Option(s) under the Scheme.
- 20.2 In the event that the Grantee is transferred from the Group to any associated companies of the Group (which definition shall be that which is adopted by the Financial Reporting Standard) or to any related companies (as defined in Section 7 of the Act) of the Company which have an existing share issuance scheme in which the Grantee will be entitled to participate, the ESOS Options unexercised on the date of transfer shall be null and void and be of no effect.
- 20.3 In the event that:
- (a) an employee who was employed in a company which is related to the Company pursuant to Section 7 of the Act (that is to say, a company which does not fall within the definition of “**the Group**”) and is subsequently transferred from such company to any company within the Group; or
  - (b) an employee who was in the employment of a company which subsequently becomes a member of the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (a) above.

(the first abovementioned company in (a) and (b) herein referred to as the “**Previous Company**”), such an employee of the Previous Company will be eligible to participate in this Scheme for its remaining Option Period, if the affected employee becomes an “**Eligible Person**” within the meaning under these By-Laws.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (b) above as a subsidiary as defined in Section 4 of the Act or any other statutory regulation in place thereof during the tenure of the Scheme, the Scheme shall apply to the employees of such company on the date such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of “**Eligible Person**” under By-Law 1 and the provisions of these By-Laws shall apply.

**21. DURATION OF THE SCHEME**

21.1 The Scheme shall be in force for a period of five (5) years commencing from the effective date of the implementation of the Scheme, which shall be the date of full compliance with all relevant requirements including the following:

- (a) submission of the final copy of these By-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (b) receipt of approval-in-principle for the issuance, and listing of and quotation for the new Shares to be issued pursuant to the exercise of ESOS Options granted under the Scheme from Bursa Securities;
- (c) procurement of shareholders' approval for the Scheme;
- (d) receipt of approval of any other relevant authorities, where applicable; and
- (e) fulfilment of all conditions attached to the above approvals, if any.

21.2 On or before the expiry of the Scheme, the Board shall have the absolute discretion, without having to obtain sanction, approval or authorisation of the Company's shareholders in a general meeting, to extend the Duration of the Scheme upon recommendation of the ESOS Committee provided that the initial period of the Scheme and such extension of the Scheme made pursuant to By-Law 21 shall not in aggregate exceed the duration of ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the Effective Date. In the event the Scheme is extended in accordance with this provision, the ESOS Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme. Any extended Scheme under this provision shall be implemented in accordance with the terms of these By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations then in force.

**22. TERMINATION OF THE SCHEME**

22.1 The Company may at its sole discretion and at any time during the Duration of the Scheme terminate the Scheme without obtaining the approvals from the Grantees or its shareholders and shall immediately announce to Bursa Securities upon termination of the Scheme the:

- (a) effective date of termination of the Scheme (“**Termination Date**”);
- (b) number of ESOS Options exercised or Shares vested under the Scheme; and
- (c) reasons and justification for termination of the Scheme,

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

whereupon no further Offers shall be made by the ESOS Committee from the Termination Date, all Offers which have yet to be accepted shall be deemed revoked and be null and void on the Termination Date, and any unexercised ESOS Options shall be deemed to cease to be capable of being exercised and be null and void on the Termination Date.

22.2 Subject to the Listing Requirements the following shall not be required to effect the termination of the Scheme:

- (a) approval or consent of the shareholders of the Company by way of resolution in a general meeting; and
- (b) written consent of the Grantees in relation to the unexercised ESOS Options.

22.3 In this event of termination of the Scheme, the following provisions shall apply:

- (a) no further Offers shall be made by the ESOS Committee from the date the last of the above conditions have been satisfied ("**Termination Date**");
- (b) all Offers which have yet to be accepted shall automatically lapse on the Termination Date and be null and void; and
- (c) all outstanding ESOS Options which have yet to be exercised by Grantees shall be automatically terminated on the Termination Date.

### **23. DISPUTES OR DIFFERENCES**

23.1 In case any dispute or difference shall arise between the Board and/or ESOS Committee, and an Eligible Person, Selected Person and/or Grantee, as the case may be, as to any provisions contained in these By-Laws, the Board and/or the ESOS Committee shall determine such dispute or difference by a written decision given to the Eligible Person, Selected Person and/or Grantee, as the case may be, provided that where the dispute is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance.

23.2 The said decision made pursuant to By-Law 23.1 shall be final and binding on the parties unless the Eligible Person, Selected Person and/or Grantee within fourteen (14) calendar days of the receipt thereof by a notice to the Board and/or the ESOS Committee indicates that the dispute or difference is arising from adjustments to be made pursuant to By-Law 14. Notwithstanding the foregoing, for matters concerning adjustments made pursuant to By-Law 14 it shall be referred to the Adviser and/or Auditor (as selected by the Board and/or ESOS Committee at its absolute discretion) (acting as experts and not as arbitrators) whose decision shall be final and binding in all respects.

23.3 The Board and/or ESOS Committee and the Eligible Person, Selected Person and/or Grantee as the case may be, shall keep all matters relating to the Scheme in strict confidence and shall not refer to, discuss with, publicise or in any other manner reveal any particulars or details thereof to any third party.

23.4 The Board and the ESOS Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities.

23.5 Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESOS Committee shall be borne by such party.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

**24. COSTS AND EXPENSES**

- 24.1 All fees, costs and expenses incurred in relation to preparation and/or operation of the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of new Shares pursuant to the exercise of any ESOS Option shall be borne by the Company save and except for any tax (including income tax), if any, arising from the Offer and/or exercise of any ESOS Options under the Scheme.
- 24.2 Notwithstanding any provisions contained herein and subject to the Act, the Company, the Board and the ESOS Committee shall not under any circumstances and in any event be held liable to any person for any cost, charges, losses, expenses, damages or liabilities whatsoever arising, including but not limited to any delay on the part of the Company in allotting and issuing the new Shares or in procuring Bursa Securities to list the new Shares subscribed for by a Grantee.

**25. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.**

- 25.1 Notwithstanding the maximum percentage of the Grantee's ESOS Options that may be exercisable within each year of the Scheme as set out in the Offer Letter and subject to the discretion of the ESOS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 of the Act or the Company decides to merge with other company or companies, a Grantee may exercise in full or in part any ESOS Option to which the Grantee is entitled commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective provided always that no ESOS Option shall be exercised after the expiry of the Option Period.
- 25.2 Upon the compromise or arrangement becoming effective, all ESOS Options remaining unexercised thereafter shall automatically lapse and become null and void.

**26. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme does not form part of or constitute or shall in any way be construed as a term or condition of employment of any Eligible Person within the Group. This Scheme shall not confer or be construed to confer on Eligible Person within the Group any special right or privilege over and above the Eligible Person's terms and conditions of employment under which the Eligible Person is employed nor any rights in addition to compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment for any reason whatsoever.

**27. NO COMPENSATION**

- 27.1 Notwithstanding any provisions of these By-Laws:
- (a) this Scheme shall not form part of any contract of employment between any company of the Group and any Employee or Director and the rights of any Grantee under the terms of his office and employment with the Company or any company within the Group shall not be affected by his participation in the Scheme or afford such Grantee any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- (b) this Scheme shall not confer on any person any legal or equitable rights (other than those constituting the ESOS Option themselves) against the Company or any company of the Group or any members of the ESOS Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Group;
- (c) a Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal, breach of contract or by way of compensation for loss of office; and
- (d) the sole right of a Grantee or representative pursuant to any valid claim hereunder shall be limited to the right of the Grantee or his representative to be reinstated to his position had the breach not occurred and any company within the Group, the ESOS Committee or any other party shall in no event be liable to the Grantee or representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation on lost of profits or savings, directly or indirectly arising from the breach or performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the ESOS Committee or any other party has been advised of the possibility of such damage and even if the limited remedy provided for is found to fail of essential purpose.

27.2 No Employees and/ or Directors (including Eligible Person, Selected Person or Grantee) or their legal or personal representatives shall bring any claim, action or proceedings against the Board, the Company or the ESOS Committee or any party for compensation, loss or damages whatsoever and howsoever arising including but not limited to the suspension of their rights to exercise their ESOS Options or their ESOS Options ceasing to be valid pursuant to the provisions of these By-Laws.

**28. CONSTITUTION OF THE COMPANY**

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the Scheme and the Constitution, the provisions of the Constitution shall at all times prevail save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

**29. TAXES**

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including without limitation income tax) that are incurred by an allottee of the Shares, pursuant or relating to the grant of the Offers and exercise of the ESOS Options, and any holding or dealing of such ESOS Options (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that allottee for his own account, and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

**30. SEVERABILITY**

Any term, condition, stipulation or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

**31. GOVERNING LAW AND JURISDICTION**

31.1 The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the ESOS Options in accordance with these By-Laws and terms of the Scheme, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.

31.2 In order to facilitate the making of any Offer under this Scheme, the ESOS Committee may provide for such special terms to the Selected Persons who are employed by any corporation in the Group in a particular jurisdiction or who are nationals of any particular jurisdiction, that is outside Malaysia, as the ESOS Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The ESOS Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Scheme as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect, unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Selected Persons pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.

31.3 No action has been or will be taken by the Company to make the Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Offer with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Selected Persons to whom the Offer is granted, with all applicable laws and regulations in such other country or jurisdiction in which they will be granted the Offers.

31.4 Any Selected Person to whom the Offer is granted is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they are granted the Offers. By participating in the Scheme, each Selected Person has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they will be granted the Offers.

**32. INSPECTION OF THE AUDITED ACCOUNTS AND DISCLOSURES IN ANNUAL REPORT**

32.1 To the extent permitted by the Listing Requirements and prevailing laws and guidelines issued by the relevant authorities, all Grantees shall be entitled to inspect a copy of the latest audited financial statements of the Company, which shall be made available on the Bursa Securities' website as well as the Company's website.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

- 32.2 The Company will make such disclosure in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the audit committee verifying that the allocation of ESOS Options pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Person.

**33. NOTICE**

- 33.1 Any notice or request which under the Scheme is required to be given or served upon an Eligible Person, Selected Person or Grantee pursuant to the Scheme shall be in writing and be deemed to be sufficiently given:

- (a) if it is sent by ordinary post by the Company to the Eligible Person, Selected Person or the Grantee at the last address known by the Company as being his address, such notice or request shall be deemed to have been received three (3) Market Days after posting;
- (b) if it is given by hand to the Eligible Person, Selected Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person, Selected Person or the Grantee, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

- 33.2 Any change of address of the Eligible Person, Selected Person or the Grantee shall be communicated in writing to the Company and the ESOS Committee.

**34. ERRORS AND OMISSIONS**

- 34.1 If in consequences of an error or omission, the ESOS Committee discovers or determines that:

- (a) an Eligible Person who was selected as a Selected Person has not been given the opportunity to participate in the Scheme on any occasion;
- (b) an Eligible Person was erroneously selected as a Selected Person; or
- (c) the number of ESOS Options granted to any Selected Person or Shares allotted to any Grantee on any occasion is found to be incorrect,

and such error or omission cannot be corrected, the ESOS Committee may do all such acts and things to rectify such error or omission including, but not limited to, all acts and things to ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or to withdraw the Offer given to the Employee or Director who was erroneously selected as a Selected Person and/or to ensure that the Selected Person is given the correct number of ESOS Options or credited with the correct number of Shares to which he is entitled to.

---

**DRAFT NEW ESOS BY-LAWS FOR THE PROPOSED NEW ESOS (Cont'd)**

---

**35. MULTIPLE SHARES ISSUANCE SCHEME(S)**

The Company may implement more than one (1) shares issuance scheme provided that the aggregate number of Shares available under all the schemes implemented by the Company is not more than fifteen percent (15%) of its total number of issued shares (excluding treasury shares) at any one time or such lower or higher limit in accordance with any prevailing guidelines or regulations issued by Bursa Securities or any other relevant authorities as may be amended from time to time.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

---

**FURTHER INFORMATION**

---

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENT**

UOBKH, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Explanatory Statement/Circular of its name and all references thereto in the form and context in which they appear in this Explanatory Statement/Circular.

Chooi & Company + Cheang & Ariff, being the due diligence solicitors and the legal counsel in respect of the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Explanatory Statement/Circular of its name and all references thereto in the form and context in which they appear in this Explanatory Statement/Circular.

**3. DECLARATION OF CONFLICT OF INTERESTS**

UOBKH has given its written confirmation that as at the date of this Explanatory Statement/Circular, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to Hai-O Enterprise for the Proposals.

Chooi & Company + Cheang & Ariff has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the due diligence solicitors and the legal counsel in respect of the Proposals.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, neither Hai-O Enterprise nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or may have a material effect on the financial position or business of Hai-O Enterprise and/or its subsidiaries and our Board is not aware of any proceedings pending or threatened against Hai-O Enterprise and/or its subsidiaries or any fact likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Group.

**5. MATERIAL CONTRACTS**

Save and except for the following, neither our Company nor our subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years preceding the LPD:-

- (i) the Scheme Agreement; and
- (ii) the cornerstone investment agreement entered into between the Company and Orgabio Holdings Berhad ("**OHB**") on 22 March 2021 for the subscription by the Company of 30,983,500 ordinary shares representing 12.5% of the enlarged share capital of OHB in conjunction with OHB's proposed corporate exercise at the subscription price of RM7,436,040 ("**Initial Subscription Price**") or such other price which the variation shall not be more than 15% of the Initial Subscription Price unless otherwise agreed by the Company in writing.

---

**FURTHER INFORMATION (Cont'd)**


---

**6. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****6.1 Material commitments**

Save as disclosed below, as at the LPD, the Board, after making all reasonable enquiries, is not aware of any material commitments incurred or known to be incurred by the Hai-O Enterprise Group, which upon becoming enforceable, may have a material impact on the financial results/position of Hai-O Enterprise Group:-

<b>Approved, contracted but not provided for</b>	<b>RM</b>
Property, plant and equipment	906,000
Capital Investment	7,436,040
<b>Total</b>	<b>8,342,040</b>

**6.2 Contingent liabilities**

Save as disclosed below, as at the LPD, the Board, after making all reasonable enquiries, is not aware of any contingent liabilities incurred or known to be incurred by the Hai-O Enterprise Group, which upon becoming enforceable, may have a material impact on the financial results/position of Hai-O Enterprise Group:-

	<b>RM</b>
Bank guarantee given to third parties in respect of services rendered to the Group	1,584,000

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection 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 during normal business hours between Mondays and Fridays (except public holidays) from the date of this Explanatory Statement/Circular up to and including the date of the CCM and EGM:-

- (i) the Constitution of the Company;
- (ii) the Constitution of BESHOM;
- (iii) the audited consolidated financial statements of Hai-O Enterprise Group for the past 2 financial years up to and including the FYE 30 April 2020 as well as the latest unaudited quarterly report on consolidated results of Hai-O Enterprise Group for the FPE 31 January 2021;
- (iv) the letters of consent and declarations of conflict of interest referred to in **Section 2** and **Section 3** of this **Appendix III**; and
- (v) the material contracts referred to in **Section 5** of this **Appendix III**.

# HAI-O ENTERPRISE BERHAD

(Registration No. 197501000919 (22544-D))  
(Incorporated in Malaysia)

## NOTICE OF COURT CONVENED MEETING IN THE HIGH COURT OF MALAYA AT SHAH ALAM ORIGINATING SUMMONS NO.: BA-24NCC-20-02/2021

In the matter of an application made by Hai-O Enterprise Berhad  
Registration No. 197501000919 (22544-D)

And

In the matter of a proposed scheme of arrangement pursuant to  
Section 366 of the Companies Act, 2016 between Hai-O Enterprise  
Berhad and the shareholders of Hai-O Enterprise Berhad

And

In the matter of Section 366 of the Companies Act, 2016

And

In the matter of Order 88 rule 2 of the Rules of Court, 2012

**HAI-O ENTERPRISE BERHAD** Registration No. 197501000919 (22544-D)

...**Applicant**

### **NOTICE OF MEETING PURSUANT TO AN ORDER OF THE HIGH COURT OF MALAYA**

*(For Shareholders of the Applicant)*

**NOTICE IS HEREBY GIVEN THAT** by an Order of the High Court of Malaya ("**Court**") on 5 April 2021 ("**Order**") in respect of the above matter, the Court ordered a meeting to be convened for the shareholders ("**Court Convened Meeting**") of the Applicant ("**Hai-O Enterprise**" or the "**Company**") for the purpose of considering and, if thought fit, approving a scheme of arrangement proposed between the Company and its shareholders ("**Proposed Scheme of Arrangement**") pursuant to Section 366(1) of the Companies Act, 2016 ("**Act**").

The following resolution is proposed to be voted upon and approved in the Court Convened Meeting for the Applicant's shareholders:-

**"THAT**, subject to the relevant regulatory approvals being obtained, and subject to the passing of the following resolution, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to implement the following:-

- (a) proposed share exchange of 300,297,890 ordinary shares in Hai-O Enterprise ("**Hai-O Enterprise Share(s)**"), representing the entire issued share capital of Hai-O Enterprise, with 300,297,890 new ordinary shares in Beshom Holdings Berhad ("**BESHOM**") ("**BESHOM Share(s)**"), on the basis of 1 new BESHOM Share for every 1 existing Hai-O Enterprise Share held on an entitlement date to be determined and announced later; and

- (b) proposed assumption of the listing status of Hai-O Enterprise by BESHOM and the admission of BESHOM to, and withdrawal of Hai-O Enterprise from the Official List of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), with the listing of and quotation for 300,297,892 BESHOM Shares on the Main Market of Bursa Securities;

(collectively referred to as the “**Proposed Internal Reorganisation**”),

**THAT** the Board be and is hereby authorised to complete and give effect to the Proposed Internal Reorganisation and to do all such acts, deeds and things as the Board may consider necessary, expedient or appropriate with full powers to:-

- (a) execute, sign and deliver for and on behalf of the Company, any agreement in relation to the Proposed Internal Reorganisation and all such other agreements, deeds, instruments, undertakings, declaration and/or documents including any supplementary or variation agreements and documents in connection therewith and to give full effect to and complete the Proposed Internal Reorganisation; and
- (b) assent to any condition, modification, variation and/or amendment as may be imposed or permitted by Bursa Securities and any other relevant authorities or as may be deemed necessary by the Board in the best interest of the Company and to take such steps and do all such acts, deeds and things in any manner as it may deem necessary, expedient or appropriate in order to implement, finalise, give full effect to and complete the Proposed Internal Reorganisation;

**AND THAT** all previous actions taken by the Board for the purpose of or in connection with the Proposed Internal Reorganisation be and are hereby adopted, approved and ratified.”

The Court Convened Meeting is to be held on a fully virtual basis through live streaming and online voting at Lot 6.03, 6th Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia (“**Broadcast Venue**”), on Wednesday, 19 May 2021 at 10.30 a.m. or at any adjournment thereof.

A copy of the Explanatory Statement/Circular to shareholders detailing the Proposed Scheme of Arrangement and containing the Form of Proxy required to be furnished pursuant to Section 369 of the Act is incorporated in the Explanatory Statement/Circular to shareholders dated 27 April 2021 (“**Document**”). Additional copies of the Document can be obtained either from the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on any day from the date of the Document up to the date of the Court Convened Meeting for shareholders, from 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (except public holidays). The resolution to be voted upon and approved in the Court Convened Meeting shall be decided by way of poll.

The shareholders may vote remotely at the Court Convened Meeting or they may appoint their proxy(ies) to attend and vote remotely in their stead. A Form of Proxy for the Court Convened Meeting is enclosed in the Document.

The Form of Proxy must be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or through Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) at least 48 hours before the time appointed for the Court Convened Meeting or at any adjournment thereof.

Tan Keng Kang, 760601-14-5689, being the Managing Director of the Company or failing him, any one director of the Company to act as the Chairperson of the Court Convened Meeting and that the approval of the shareholders obtained at the Court Convened Meeting be notified to the Court after the Court Convened Meeting.

The Company is then at liberty to apply for an order from the Court to sanction the Proposed Scheme of Arrangement.

Date: 27 April 2021

**Chooi & Company + Cheang & Ariff**

Level 5, Menara BRDB  
285, Jalan Maarof  
Bukit Bandaraya  
59000 Kuala Lumpur

**Notes:-**

1. In respect of deposited securities, only Members whose names appear in the Record of Depositors on 6 May 2021 (General Meeting Record of Depositors) shall be entitled to register, speak, participate and vote remotely at this Court Convened Meeting (“**CCM**”).
2. A member entitled to attend and vote remotely at the above virtual meeting is entitled to appoint not more than two (2) proxies to participate and vote instead of him save for a member who is an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 and holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote remotely at a virtual meeting of the Company shall have the same rights as the member to speak at the virtual meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the CCM or at any adjournment thereof, as follows:-
  - (i) In hard copy form - The original instrument appointing a proxy (“**Form of Proxy**”) must be deposited at the Company's Share Registrar's Office, Boardroom Share Registrars Sdn. Bhd., 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
  - (ii) By electronic means - The Form of Proxy can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com).
6. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate remotely in the CCM by yourself, please write in to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy not less than forty-eight (48) hours before the virtual meeting.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the special resolution set out in the Notice of CCM will be put to vote by way of poll.

**PERSONAL DATA PRIVACY**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote remotely at the Court Convened Meeting or any adjournment thereof, a member of the Company:-*

- (i) *consent to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Court Convened Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Court Convened Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”);*
- (ii) *warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (“**Warranty**”); and*
- (iii) *agrees that the member will indemnify the Company in respect of any penalties, claims, demands, losses and damages as a result of the member's breach of Warranty.*



# FORM OF PROXY

## HAI-O ENTERPRISE BERHAD

(Registration No. 197501000919 (22544-D))  
(Incorporated in Malaysia)

CDS Account No.:	
No. of Shares Held:	

**COURT CONVENED MEETING**  
**IN THE HIGH COURT OF MALAYA AT SHAH ALAM**  
**ORIGINATING SUMMONS NO.: BA-24NCC-20-02/2021**

In the matter of an application made by HAI-O ENTERPRISE BERHAD  
Registration No. 197501000919 (22544-D)

And

In the matter of a Proposed Scheme of Arrangement pursuant to Section  
366 of the Companies Act, 2016

And

In the matter of Order 88 rule 2 of the Rules of Court, 2012

I/We \_\_\_\_\_

NRIC No. (New) \_\_\_\_\_ (Old) \_\_\_\_\_ /Company No. \_\_\_\_\_

of \_\_\_\_\_

being a member/members of **HAI-O ENTERPRISE BERHAD** hereby appoint the following person(s):-

Name	Address	NRIC/Passport No.	Proportion of shareholdings (%)
*And/or failing him/her (delete as appropriate)			

*For a member who is an authorised nominee with omnibus account, please state the details of the proxies as above if more than two (2) on your letterhead and to attach the same to this Form of Proxy.*

or failing him/her/them the Chairman of the Meeting as \*my/our proxy/proxies to attend and vote for \*me/us and on my/our behalf at the Court Convened Meeting ("**CCM**") of the Company to be held on a fully virtual basis through live streaming and online voting at Lot 6.03, 6th Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia ("**Broadcast Venue**"), on **Wednesday, 19 May 2021 at 10.30 a.m.**, and at any adjournment thereof in the manner as indicated below in respect of the following resolution:-

Special Resolution	Resolution	For	Against
1	Proposed Internal Reorganisation		

*Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy may vote or abstain from voting at his/her/their discretion.*

Date: \_\_\_\_\_

Signature /Common Seal \_\_\_\_\_

\* **Strike out whichever is not desired.**



**Notes:-**

1. In respect of deposited securities, only Members whose names appear in the Record of Depositors on 6 May 2021 (General Meeting Record of Depositors) shall be entitled to register, speak, participate and vote remotely at this Court Convened Meeting (“CCM”).
2. A member entitled to attend and vote remotely at the above virtual meeting is entitled to appoint not more than two (2) proxies to participate and vote instead of him save for a member who is an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 and holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote remotely at a virtual meeting of the Company shall have the same rights as the member to speak at the virtual meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the CCM or at any adjournment thereof, as follows:-
  - (i) In hard copy form - The original instrument appointing a proxy (“**Form of Proxy**”) must be deposited at the Company's Share Registrar's Office, Boardroom Share Registrars Sdn. Bhd., 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
  - (ii) By electronic means - The Form of Proxy can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com).
6. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate remotely in our CCM by yourself, please write in to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy not less than forty-eight (48) hours before the virtual meeting.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the special resolution set out in the Notice of CCM will be put to vote by way of poll.

**PERSONAL DATA PRIVACY**

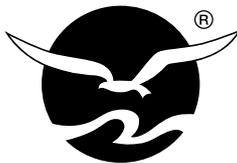
*By lodging of a completed Form of Proxy to the Share Registrar of the Company for appointing a proxy(ies) and/or representative(s) to participate and vote remotely at the CCM and any adjournment thereof, a member of the Company is hereby:-*

- (i) *consent to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the CCM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the CCM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”);*
- (ii) *warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (“**Warranty**”); and*
- (iii) *agreed that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.*

Fold this flap for sealing

Then fold here

AFFIX  
STAMP

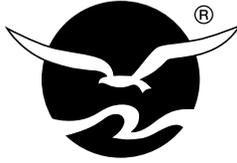


**Hai-O Enterprise Berhad**  
Registration No. 197501000919 (22544-D)

**The Share Registrar**  
**Boardroom Share Registrars Sdn. Bhd.**  
Registration No. 199601006647 (378993-D)  
11th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia

1st fold here





## HAI-O ENTERPRISE BERHAD

(Registration No. 197501000919 (22544-D))  
(Incorporated in Malaysia)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting of Hai-O Enterprise Berhad (“**Hai-O Enterprise**” or the “**Company**”) will be held on a fully virtual basis through live streaming and online voting at Lot 6.03, 6th Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia (“**Broadcast Venue**”), on Wednesday, 19 May 2021 at 11.00 a.m., or immediately following the conclusion of the Court Convened Meeting for shareholders of the Company (which will be held at the Broadcast Venue and on the same day at 10.30 a.m.) whichever is later, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

#### SPECIAL RESOLUTION

##### PROPOSED INTERNAL REORGANISATION

“**THAT**, subject to the relevant regulatory approvals being obtained, and subject to the passing of the following resolution, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to implement the following:-

- (a) proposed share exchange of 300,297,890 ordinary shares in Hai-O Enterprise Berhad (“**Hai-O Enterprise Share(s)**”), representing the entire issued share capital of Hai-O Enterprise, with 300,297,890 new ordinary shares in Beshom Holdings Berhad (“**BESHOM**”) (“**BESHOM Share(s)**”), on the basis of 1 new BESHOM Share for every 1 existing Hai-O Enterprise Share held on an entitlement date to be determined and announced later; and
- (b) proposed assumption of the listing status of Hai-O Enterprise by BESHOM, the admission of BESHOM to, and withdrawal of Hai-O Enterprise from the Official List of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), with the listing of and quotation for 300,297,892 BESHOM Shares on the Main Market of Bursa Securities;

(collectively referred to as the “**Proposed Internal Reorganisation**”),

**THAT** the Board be and is hereby authorised to complete and give effect to the Proposed Internal Reorganisation and to do all such acts, deeds and things as the Board may consider necessary, expedient or appropriate with full powers to:-

- (a) execute, sign and deliver for and on behalf of the Company, any agreement in relation to the Proposed Internal Reorganisation and all such other agreements, deeds, instruments, undertakings, declarations and/or documents including any supplementary or variation agreements and documents in connection therewith and to give full effect to and complete the Proposed Internal Reorganisation; and
- (b) assent to any condition, modification, variation and/or amendment as may be imposed or permitted by Bursa Securities and any other relevant authorities or as may be deemed necessary by the Board in the best interest of the Company and to take such steps and do all such acts, deeds and things as it may deem necessary, expedient or appropriate in order to implement, finalise, give full effect to and complete the Proposed Internal Reorganisation;

**AND THAT** all previous actions taken by the Board for the purpose of or in connection with the Proposed Internal Reorganisation be and are hereby adopted, approved and ratified.”

## ORDINARY RESOLUTION 1

**PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE ISSUED SHARE CAPITAL OF BESHOM (EXCLUDING TREASURY SHARES OF BESHOM, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE NEW ESOS, FOR THE ELIGIBLE EMPLOYEES AND DIRECTORS OF BESHOM AND ITS SUBSIDIARIES ("BESHOM GROUP"), WHICH ARE NOT DORMANT, WHO FULFIL THE ELIGIBILITY CRITERIA AS SET OUT IN THE BY-LAWS OF THE NEW ESOS ("ESOS BY-LAWS") ("ELIGIBLE PERSONS") ("PROPOSED NEW ESOS")**

**"THAT** subject to the passing of the Special Resolution and the approvals of all relevant regulatory authorities and/or parties (where required) including but not limited to, the approval of Bursa Securities for the listing of and quotation for the new BESHOM Shares to be issued arising from the exercise of the options granted under the Proposed New ESOS ("**ESOS Options**"), the Board of Directors of BESHOM ("**BESHOM Board**") be and is hereby authorised to:-

- (a) establish, implement and administer the Proposed New ESOS which involves the granting of ESOS Options to the Eligible Persons in accordance with the ESOS By-Laws and to give effect to the Proposed New ESOS with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant regulatory authorities;
- (b) allot and issue from time to time such number of new BESHOM Shares to Eligible Persons as may be required to be issued in connection with the implementation of the Proposed New ESOS arising from the exercise of the ESOS Options under the Proposed New ESOS provided that the maximum number of new BESHOM Shares to be allotted and issued pursuant to the Proposed New ESOS shall not at any point in time in aggregate exceed 15% of the total number of issued BESHOM Shares (excluding treasury shares) or such other percentage of the total number of issued BESHOM Shares (excluding treasury shares) that may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Proposed New ESOS and such new BESHOM Shares shall, upon allotment and issuance, rank equally in all respects with the existing BESHOM Shares, save and except that they will not be entitled to any dividend, rights, allotment, and/or distribution that may be declared, made or paid, the entitlement date of which is prior to the allotment date of the new BESHOM Shares to be issued pursuant to the exercise of the ESOS Options and will be subject to the provisions of the Constitution of BESHOM and the Main Market Listing Requirements of Bursa Securities relating to transfer, transmission and otherwise of the BESHOM Shares;
- (c) modify and/or amend the Proposed New ESOS and/or the ESOS By-Laws from time to time as may be required provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the ESOS By-Laws; and
- (d) do all such acts and things, execute all such documents and to enter into such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed New ESOS and terms of the ESOS By-Laws.

**THAT** the BESHOM Board be and is hereby authorised to give effect to the Proposed New ESOS with full power to assent to any conditions, modifications, variations and/or amendments in any manner as it may deem fit and/or as may be required or imposed by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as it may deem necessary or expedient to implement, finalise and give full effect to the Proposed New ESOS;

**AND THAT** the proposed ESOS By-Laws of the Proposed New ESOS as set out in **Appendix II** of this Circular, be and is hereby approved and adopted."

**ORDINARY RESOLUTIONS 2 TO 10  
PROPOSED ALLOCATION OF ESOS OPTIONS TO THE DIRECTORS OF BESHOM**

“**THAT**, subject to the passing of the Special Resolution, Ordinary Resolution 1 and the approvals of the relevant authorities for the Proposed New ESOS, including the approval from Bursa Securities for the listing of and quotation for the new BESHOM Shares to be issued arising from the exercise of the ESOS Options, having been obtained, approval be and is hereby given to the BESHOM Board to authorise the ESOS Committee of the Proposed New ESOS (“**ESOS Committee**”), at any time and from time to time throughout the duration of the Proposed New ESOS, to offer and grant to the following Directors of BESHOM, ESOS Options to subscribe for new BESHOM Shares under the Proposed New ESOS:-

(i)	Tan Kai Hee	Ordinary Resolution 2
(ii)	Tan Keng Kang	Ordinary Resolution 3
(iii)	Hew Von Kin	Ordinary Resolution 4
(iv)	Chia Kuo Wui	Ordinary Resolution 5
(v)	Tan Kim Siong	Ordinary Resolution 6
(vi)	Soon Eng Sing	Ordinary Resolution 7
(vii)	Tan Beng Ling	Ordinary Resolution 8
(viii)	Professor Hajjah Ruhanas Binti Harun	Ordinary Resolution 9
(ix)	Ng Chek Yong	Ordinary Resolution 10

**PROVIDED ALWAYS THAT:-**

- (a) he/she must not participate in the deliberation or discussion of his/her own allocation to be issued under the Proposed New ESOS;
- (b) not more than 10% of the total number of BESHOM Shares to be issued under the Proposed New ESOS shall be allocated to him/her, if he/she, either singly or collectively through persons connected to him/her, holds 20% or more of the total number of issued BESHOM Shares (excluding treasury shares) of BESHOM;
- (c) it is in accordance with the Main Market Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the ESOS By-Laws; and
- (d) the Proposed Internal Reorganisation and the Proposed New ESOS is successfully implemented and he/she is appointed as a Director of BESHOM.”

**ORDINARY RESOLUTION 11**

**PROPOSED ALLOCATION OF ESOS OPTIONS TO PHAN VAN DENH**

“**THAT**, subject to the passing of the Special Resolution, Ordinary Resolution 1 and the approvals of the relevant authorities for the Proposed New ESOS, including the approval from Bursa Securities for the listing of and quotation for the new BESHOM Shares to be issued arising from the exercise of the ESOS Options, having been obtained, approval be and is hereby given to the BESHOM Board to authorise the ESOS Committee, at any time and from time to time throughout the duration of the Proposed New ESOS, to offer and grant to Phan Van Denh, ESOS Options to subscribe for new BESHOM Shares under the Proposed New ESOS, subject always to the following:-

- (a) she must not participate in the deliberation or discussion of her own allocation to be issued under the Proposed New ESOS;
- (b) not more than 10% of the total number of BESHOM Shares to be issued under the Proposed New ESOS shall be allocated to her, if she, either singly or collectively through persons connected to her, holds 20% or more of the total number of issued BESHOM Shares (excluding treasury shares) of BESHOM; and

- (c) it is in accordance with the Main Market Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the ESOS By-Laws.”

By Order of the Board  
**HAI-O ENTERPRISE BERHAD**

**Cynthia Gloria Louis (SSM PC No. 201908003061) (MAICSA 7008306)**  
**Chew Mei Ling (SSM PC No. 201908003178) (MAICSA 7019175)**  
Company Secretaries

Selangor Darul Ehsan  
27 April 2021

**Notes:-**

1. In respect of deposited securities, only Members whose names appear in the Record of Depositors on 6 May 2021 (General Meeting Record of Depositors) shall be entitled to register, speak, participate and vote remotely at this Extraordinary General Meeting (“EGM”).
2. A member entitled to attend and vote remotely at the above virtual meeting is entitled to appoint not more than two (2) proxies to participate and vote remotely instead of him save for a member who is an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 and holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote remotely at a virtual meeting of the Company shall have the same rights as the member to speak at the virtual meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof, as follows:-
  - (i) In hard copy form - The original instrument appointing a proxy (“**Form of Proxy**”) must be deposited at the Company’s Share Registrar’s Office, Boardroom Share Registrars Sdn. Bhd., 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
  - (ii) By electronic means - The Form of Proxy can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com).
6. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate remotely in our EGM by yourself, please write in to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy not less than forty-eight (48) hours before the virtual meeting.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of EGM will be put to vote by way of poll.

**PERSONAL DATA PRIVACY**

*By lodging of a completed Form of Proxy to the Share Registrar of the Company for appointing a proxy(ies) and/or representative(s) to participate and vote remotely at the EGM and any adjournment thereof, a member of the Company is hereby:-*

- (i) *consent to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”);*
- (ii) *warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (“**Warranty**”); and*
- (iii) *agrees that the member will indemnify the Company in respect of any penalties, claims, demands, losses and damages as a result of the member’s breach of warranty.*



# FORM OF PROXY

## HAI-O ENTERPRISE BERHAD

(Registration No. 197501000919 (22544-D))  
(Incorporated in Malaysia)

CDS Account No.:	
No. of Shares Held:	

I/We \_\_\_\_\_

NRIC No. (New) \_\_\_\_\_ (Old) \_\_\_\_\_ /Company No. \_\_\_\_\_

of \_\_\_\_\_

being a member/members of **HAI-O ENTERPRISE BERHAD** hereby appoint the following person(s):-

Name	Address	NRIC/Passport No.	Proportion of shareholdings (%)
*And/or failing him/her (delete as appropriate)			

For a member who is an authorised nominee with omnibus account, please state the details of the proxies as above if more than two (2) on your letterhead and to attach the same to this Form of Proxy.

or failing him/her/them the Chairman of the Meeting as \*my/our proxy/proxies to attend and vote for \*me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on a fully virtual basis through live streaming and online voting at Lot 6.03, 6th Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia ("**Broadcast Venue**"), on **Wednesday, 19 May 2021 at 11.00 a.m.**, or immediately following the conclusion of the Court Convened Meeting for shareholders of the Company (which will be held at the Broadcast Venue and on the same day at 10.30 a.m.) whichever is later, and at any adjournment thereof in the manner as indicated below in respect of the following resolutions:-

Resolution		For	Against
Special Resolution	Proposed Internal Reorganisation		
Ordinary Resolution 1	Proposed New ESOS		
Ordinary Resolution 2	Proposed Allocation of ESOS Options to Tan Kai Hee		
Ordinary Resolution 3	Proposed Allocation of ESOS Options to Tan Keng Kang		
Ordinary Resolution 4	Proposed Allocation of ESOS Options to Hew Von Kin		
Ordinary Resolution 5	Proposed Allocation of ESOS Options to Chia Kuo Wui		
Ordinary Resolution 6	Proposed Allocation of ESOS Options to Tan Kim Siong		
Ordinary Resolution 7	Proposed Allocation of ESOS Options to Soon Eng Sing		
Ordinary Resolution 8	Proposed Allocation of ESOS Options to Tan Beng Ling		
Ordinary Resolution 9	Proposed Allocation of ESOS Options to Professor Hajjah Ruhana Binti Harun		
Ordinary Resolution 10	Proposed Allocation of ESOS Options to Ng Chek Yong		
Ordinary Resolution 11	Proposed Allocation of ESOS Options to Phan Van Denh		

Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy may vote or abstain from voting at his/her/their discretion.

Date: \_\_\_\_\_

Signature /Common Seal \_\_\_\_\_

\* Strike out whichever is not desired.

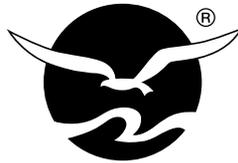
### Notes:-

- In respect of deposited securities, only Members whose names appear in the Record of Depositors on 6 May 2021 (General Meeting Record of Depositors) shall be entitled to register, speak, participate and vote remotely at this Extraordinary General Meeting ("**EGM**").
- A member entitled to attend and vote remotely at the above virtual meeting is entitled to appoint not more than two (2) proxies to participate and vote remotely instead of him save for a member who is an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 and holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote remotely at a virtual meeting of the Company shall have the same rights as the member to speak at the virtual meeting.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.



4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof, as follows:-
  - (i) In hard copy form - The original instrument appointing a proxy ("**Form of Proxy**") must be deposited at the Company's Share Registrar's Office, 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.
  - (ii) By electronic means - The Form of Proxy can also be lodged electronically with the Share Registrar of the Company through Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com).
6. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate remotely in our EGM by yourself, please write in to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy not less than forty-eight (48) hours before the virtual meeting.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of EGM will be put to vote by way of poll.

1st Fold Here



**Hai-O Enterprise Berhad**  
Registration No. 197501000919 (22544-D)

**The Share Registrar**  
**Boardroom Share Registrars Sdn. Bhd.**  
Registration No. 199601006647 (378993-D)  
11th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia

AFFIX  
STAMP

2nd Fold Here

Fold This Flap For Sealing



## HAI-O ENTERPRISE BERHAD

(Registration No. 197501000919 (22544-D))

(Incorporated in Malaysia)

### ADMINISTRATIVE GUIDE FOR COURT CONVENED MEETING AND EXTRAORDINARY GENERAL MEETING

	<b>Court Convened Meeting ("CCM")</b>	<b>Extraordinary General Meeting ("EGM")</b>
Date and Day	: 19 May 2021 (Wednesday)	19 May 2021 (Wednesday)
Time	: 10:30 a.m.	11:00 a.m.
Broadcast Venue	: Lot 6.03, 6th Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Lot 6.03, 6th Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia
Meeting Platform	: <a href="https://web.lumiagm.com/">https://web.lumiagm.com/</a>	<a href="https://web.lumiagm.com/">https://web.lumiagm.com/</a>

#### MODE OF MEETING

Due to the unprecedented circumstances arising from the measures that have been implemented nationally to limit the spread of the COVID-19, the Company will conduct its Court Convened Meeting ("CCM") and Extraordinary General Meeting ("EGM") on a fully virtual basis via remote participation and electronic voting (collectively referred hereinafter as "**Virtual Meeting**"). The above decision is made pursuant to Section 327 of the Companies Act 2016 and Clause 68 (ii) of the Constitution of the Company and Practice 12.3 of the Malaysian Code on Corporate Governance.

With the Virtual Meeting Facilities, you may exercise your right as a member of the Company to participate (including the right to pose questions to the Board of Directors and/or Management of the Company) and vote at the CCM and EGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the CCM and EGM.

#### BROADCAST VENUE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires that the Chairman of the meeting to be present at the main venue. Shareholders and/ or proxies **are not allowed** to be physically present at the Broadcast Venue as the venue is only meant to facilitate the conduct of the Virtual Meeting.

#### ENTITLEMENT TO PARTICIPATE AND VOTE

In respect of deposited securities, only members whose names appear in the Record of Depositors on 6 May 2021 (General Meeting Record of Depositors) shall be eligible to participate in the CCM and EGM or appoint proxy(ies) to participate and/or vote on his/her behalf.

#### FORM(S) OF PROXY

Shareholders are encouraged to go online, participate and vote at the CCM and EGM using remote participation and electronic voting facilities. Shareholders who are unable to participate in our online CCM and EGM are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Form(s) of Proxy. Alternatively, you may use Boardroom Smart Investor Portal proxy appointment service to submit your proxy appointment.

## **FORM(S) OF PROXY** (cont'd)

Please take note that you **must** complete the Form(s) of Proxy for the CCM and EGM should you wish to appoint a proxy(ies).

Please ensure that the original Form(s) of Proxy is deposited at our Share Registrar's office not less than forty-eight (48) hours before the time appointed for holding the CCM and EGM at the following address:-

### **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

General Line : 603-7890 4700

Alternatively, you may deposit your Form(s) of Proxy by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal at [www.boardroomlimited.my](http://www.boardroomlimited.my) to log in and deposit your Form(s) of Proxy electronically, not less than forty-eight (48) hours before the meeting.

## **REVOCAION OF PROXY**

If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our CCM and EGM by yourself, please write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy forty-eight (48) hours before the meeting.

## **VOTING PROCEDURE**

The voting procedure will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. ("**Boardroom**") as Poll Administrator to conduct the poll by way of electronic voting ("**e-voting**") and GovernAce Advisory & Solutions Sdn. Bhd. as Independent Scrutineer to verify and validate the poll results.

During the CCM and EGM, the Chairman of the Meeting will invite the Poll Administrator to brief on the e-Polling housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

For the purposes of the Virtual CCM and EGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

There are two (2) methods for members and proxies who wish to use their personal voting device to vote remotely. The methods are as follows:-

- (i) Use the QR Scanner Code given in the email received after successful registration; **OR**
- (ii) Navigate to the website URL <https://web.lumiagm.com/>.

Upon the conclusion of the poll session, the Independent Scrutineer will verify the poll results followed by the declaration by the Chairman of the Meeting whether the resolutions put to vote were successfully carried or not.

## REMOTE PARTICIPATION AND E-VOTING

Please note that the remote participation and e-voting is available to individual member, corporate shareholder, authorised nominee and exempt authorised nominee.

You will be able to view a live webcast of the CCM and EGM proceeding, ask questions and submit your votes in real time whilst the meeting is in progress. Kindly follow the steps below on how to request for login ID and password: -

<b>Before the day of the CCM and EGM</b>	
<b>Step</b>	<b>Action</b>
1.	<p>Register Online with Boardroom Smart Investor Portal (for first time registration)</p> <p><i>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2.]</i></p> <ol style="list-style-type: none"> <li>a. Access website <a href="http://www.boardroomlimited.my">www.boardroomlimited.my</a>.</li> <li>b. Click &lt;&lt;Login&gt;&gt; and click &lt;&lt;Register&gt;&gt; to sign up as a user.</li> <li>c. Complete registration and upload softcopy of MyKad (front and back) or Passport.</li> <li>d. Please enter a valid email address and wait for Boardroom's email verification.</li> <li>e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.</li> </ol>
2.	<p>Submit Request for Remote Participation User ID and Password</p> <p><b><i>[Note: The registration for remote access is opens from 10:30 a.m. Tuesday, 27 April 2021 up to 10:30 a.m. Monday, 17 May 2021.]</i></b></p> <p><b>Individual Members</b></p> <ol style="list-style-type: none"> <li>a. Log in to <a href="http://www.boardroomlimited.my">www.boardroomlimited.my</a></li> <li>b. Select "Virtual Meeting" from main menu and select the correct Corporate Event "<b>HAI-O ENTERPRISE BERHAD Virtual CCM</b>" and "<b>HAI-O ENTERPRISE BERHAD Virtual EGM</b>".</li> <li>c. Enter your CDS Account.</li> <li>d. Read and agree to the terms &amp; conditions and thereafter submit your request.</li> </ol> <p><b>Corporate Shareholders</b></p> <ol style="list-style-type: none"> <li>a. Write in to <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form(s) of Proxy to submit the request.</li> <li>b. Please provide a copy of Corporate Representative's MyKad (Front and Back) or Passport as well as his/her email address.</li> </ol> <p><b>Authorised Nominee and Exempt Authorised Nominee</b></p> <ol style="list-style-type: none"> <li>a. Write in to <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> by providing the name of Member, CDS Account Number accompanied with the Form(s) of Proxy to submit the request.</li> <li>b. Please provide a copy of Proxy Holder's MyKad (Front and Back) or Passport as well as his/her email address.</li> </ol> <ul style="list-style-type: none"> <li>✓ You will receive notification(s) from Boardroom that your request(s) has/have been received and is/are being verified.</li> <li>✓ Upon system verification against the General Meeting Record of Depositories as at 6 May 2021, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.</li> <li>✓ You will also receive your remote access user ID and password along with the email from Boardroom if your registration is approved.</li> <li>✓ Please note that the closing time to submit your request for remote participation User ID and Password is at 10:30 a.m. Monday, 17 May 2021 (48 hours before the commencement of the CCM and EGM).</li> </ul>

## REMOTE PARTICIPATION AND E-VOTING (cont'd)

On the day of the CCM and EGM [19 May 2021]		
Step		Action
3.	Login to Virtual Meeting Portal	<p><i>[Please note that the quality of the connectivity to Virtual Meeting Portal for live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]</i></p> <ol style="list-style-type: none"> <li>The Virtual Meeting Portal will be open for login starting an hour (1 hour) before the commencement of CCM and EGM on Wednesday, 19 May 2021 at 10:30 a.m. and 11:00 a.m. respectively.</li> <li>Follow the steps given to you in the email along with your remote access user ID and password to login to the Virtual Meeting Portal (Refer to Step 2 above).</li> </ol>
4.	Participate	<p><i>[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition. All questions and messages will be presented with the full name and identity of the participant raising the question.]</i></p> <ol style="list-style-type: none"> <li>If you would like to view the live webcast, select the broadcast icon. </li> <li>If you would like to ask a question during the CCM and EGM, select the messaging icon. </li> <li>Type your message within the chat box, once completed click the send button.</li> </ol>
5.	Online Remote Voting	<ol style="list-style-type: none"> <li>Once voting has been opened, the polling page will appear with the resolutions and your voting choices.</li> <li>To vote simply select your voting direction from the options provided.</li> <li>To change your vote, simply select another voting direction.</li> <li>If you wish to cancel your vote, please press "Cancel".</li> </ol>
6.	End of Remote Participation	<ol style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the CCM and EGM, the live webcast will end.</li> <li>You can now logout from Virtual Meeting Portal.</li> </ol>

### NO DOOR GIFTS / FOOD VOUCHER

There will be **NO distribution** of door gifts or food vouchers for attending the CCM and EGM.

### PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

The shareholders may submit questions to the Company in advance via e-mail to [ir@hai-o.com.my](mailto:ir@hai-o.com.my) prior to the CCM and EGM to transmit questions to Board of Directors **no later than 10:30 a.m. on Monday, 17 May 2021**. The Chairman and the Board of Directors will endeavour their best to respond to the questions submitted by the shareholders which are related to the resolutions to be tabled at the CCM and EGM.

### RECORDING OR PHOTOGRAPHY AT THE CCM and EGM

Strictly no recording or photography of the CCM and EGM proceedings are allowed.

**ENQUIRY**

If you have any enquiries prior to the CCM and EGM, please contact the following during office hours on Mondays to Fridays (except on public holidays): -

**Boardroom Share Registrars Sdn. Bhd.**

General Line : 603-7890 4700  
Fax No. : 603-7890 4670  
Email : bsr.helpdesk@boardroomlimited.com

**Hai-O Enterprise Berhad**

General Line : 603-3342 3322  
Fax No. : 603-3342 8285  
Email : ir@hai-o.com.my

**PERSONAL DATA POLICY**

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.