

**HAI-O ENTERPRISE BERHAD**  
**Registration no. 197501000919(22544-D)**  
(Incorporated in Malaysia)

MINUTES of the Court Convened Meeting of the Company conducted on a fully virtual basis and broadcasted from Lot 6.03, 6<sup>th</sup> Floor, Menara Hai-O, Jalan Bukit Bintang, 55100 Kuala Lumpur (“Broadcast Venue”) on Wednesday, 19 May 2021 at 10.30 a.m.

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PRESENT : Tan Keng Kang – Chairman  
Others – As per attendance list attached

**1. QUORUM**

Mr Tan Keng Kang (“Mr KK Tan”), the Group Managing Director informed the Meeting that he has been appointed as the Chairman of the Court Convened Meeting (“CCM” or “the Meeting”). He extended a warm welcome to all the shareholders, Board of Directors, proxies and authorised representatives to the CCM. Upon confirming the presence of a quorum, the Meeting was called to order at 10.30 a.m.

**2. INTRODUCTION OF THE BOARD MEMBERS**

Mr KK Tan introduced the members of the Board, Management, Advisers and External Auditors who were present at the Broadcast Venue and attending via video conferencing.

**3. NOTICE**

As the Notice convening the Meeting was circulated to the shareholders within the prescribed period, the Notice convening the Meeting was taken as read.

Next, Mr KK Tan reported that the Company had received 45 valid proxies carrying 61,031,427 shares or representing 20.324% of the Company’s total number of issued shares.

**4. POLLING AND ADMINISTRATIVE GUIDE**

The Meeting was informed that voting for proposed special resolution will be carried out by poll in line with Bursa’s Listing Requirements. Boardroom Share Registrars Sdn Bhd (“Boardroom”) has been appointed as the Poll Administrator and GovernAce Advisory & Solutions Sdn Bhd, an independent scrutineer has been appointed to validate the poll results. Mr KK Tan thereafter invited Boardroom to brief the online e-voting process via a video presentation.

To facilitate the online voting process, the online voting process will be carried out from the commencement of the Meeting until the end of the voting session that will be announced later. The poll process would be conducted after deliberation of the proposed special resolution and questions have been dealt with. The Meeting further informed that the proposed special resolution requisite a majority in number representing 75% in value of the shareholders present and voting either in person or by proxy voting in favour of the said resolution at the CCM.

5. **PRESENTATION BY UOB KAY HIAN SECURITIES (M) SDN BHD (“UOBKH”), THE SCHEME ADVISER**

Mr Tan Meng Kim (“MK Tan”), the representative of UOBKH presented an overview of the Proposed Scheme of Arrangement (“Proposals”) including the effects of the Proposals, the requisite approvals to be sought and the tentative timetable for the implementation of the Proposals. The Presentation slides are attached as **Appendix I**.

6. **QUESTIONS AND ANSWERS SESSION**

Mr KK Tan informed the Meeting that the Company had received questions from shareholders prior to the CCM. The Company Secretary was then invited to read out the questions and the Company’s responses thereto.

Next, the Meeting proceeded to answer the questions received from the shareholders during the Meeting that have not been addressed in the Proposed Scheme of Arrangement presented earlier by the Scheme Adviser and the Company’s responses to the questions received prior to the CCM. The questions and responses are attached as **Appendix II**.

7 **VOTING SESSION**

At 10.50 a.m., Mr KK Tan reminded shareholders to vote as the voting session would continue for another 3 minutes.

At 10.53 a.m., Mr KK Tan announced that the voting session for the CCM had ended.

The Meeting was then adjourned for 5 minutes to facilitate the validation of votes cast by the Scrutineers.

8. **ANNOUNCEMENT OF POLL RESULTS**

Mr KK Tan called the Meeting to order at 10.58 a.m. for the declaration of the poll results. The poll results verified by the Independent Scrutineers are stated below:-



**GovernAce Advisory & Solutions Sdn. Bhd.**  
**Company Registration No. 201701029561 (1243730-W)**  
Unit 210, Block B, Phileo Damansara 1,  
No. 9, Jalan 16/11, Off Jalan Damansara,  
46350 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel/ Fax: +603 7498 0875  
Website: [www.governaceadvisory.com](http://www.governaceadvisory.com)

Date: 19<sup>th</sup> May 2021

The Chairman of the Meeting  
Hai-O Enterprise Berhad

Dear Sirs,

**Independent Scrutineer Report for the conduct of poll for Hai-O Enterprise Berhad's Court Convened Meeting held on 19<sup>th</sup> May 2021**

We, GovernAce Advisory & Solutions Sdn. Bhd., as the appointed independent scrutineer in attendance at the Court Convened Meeting (CCM) of Hai-O Enterprise Berhad held on 19<sup>th</sup> May 2021 have performed the procedures as listed in our letter of engagement dated 8<sup>th</sup> March 2021.

The results of the poll, as casted by the shareholders and proxy holders present and voting based on the results generated by the Polling System provided by Boardroom Share Registrars Sdn. Bhd. is as attached.

Thank you.

Yours sincerely,  
**For and on behalf of**  
**GovernAce Advisory & Solutions Sdn. Bhd.**


**Independent Scrutineer**



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46350 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel/ Fax: +603 7498 0875  
Website: www.governaceadvisory.com

The results of the poll as follows:

	VOTES FOR	NO OF RECORDS	%	VOTES AGAINST	NO OF RECORDS	%	VOTES TOTAL
Special Resolution 1	94,916,285	409	99.963458	34,697	49	0.036542	94,950,982


Mr KK Tan declared that the following special resolution put to the Meeting duly carried:-

**“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 (“**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.”

9. **CLOSURE**

The Meeting was declared closed at 11.00 a.m. with a vote of thanks to the Chair.



# **HAI-O ENTERPRISE BERHAD**

## **COURT CONVENED MEETING**

### **PROPOSED INTERNAL REORGANISATION BY WAY OF A MEMBERS' SCHEME OF ARRANGEMENT UNDER SECTION 366 OF THE COMPANIES ACT, 2016**

**19 MAY 2021**



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# INTRODUCTION

## Summary of the Proposed Internal Reorganisation

The Proposed Internal Reorganisation by way of Scheme of Arrangement comprise the following proposals:-

- a) Proposed share exchange of up to 300,297,890 Hai-O Enterprise Shares, 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
- 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 Securities, with the listing of and quotation for 300,297,892 BESHOM Shares on the Main Market of Bursa Securities.



# RATIONALE AND JUSTIFICATION

## **Proposed Internal Reorganisation**

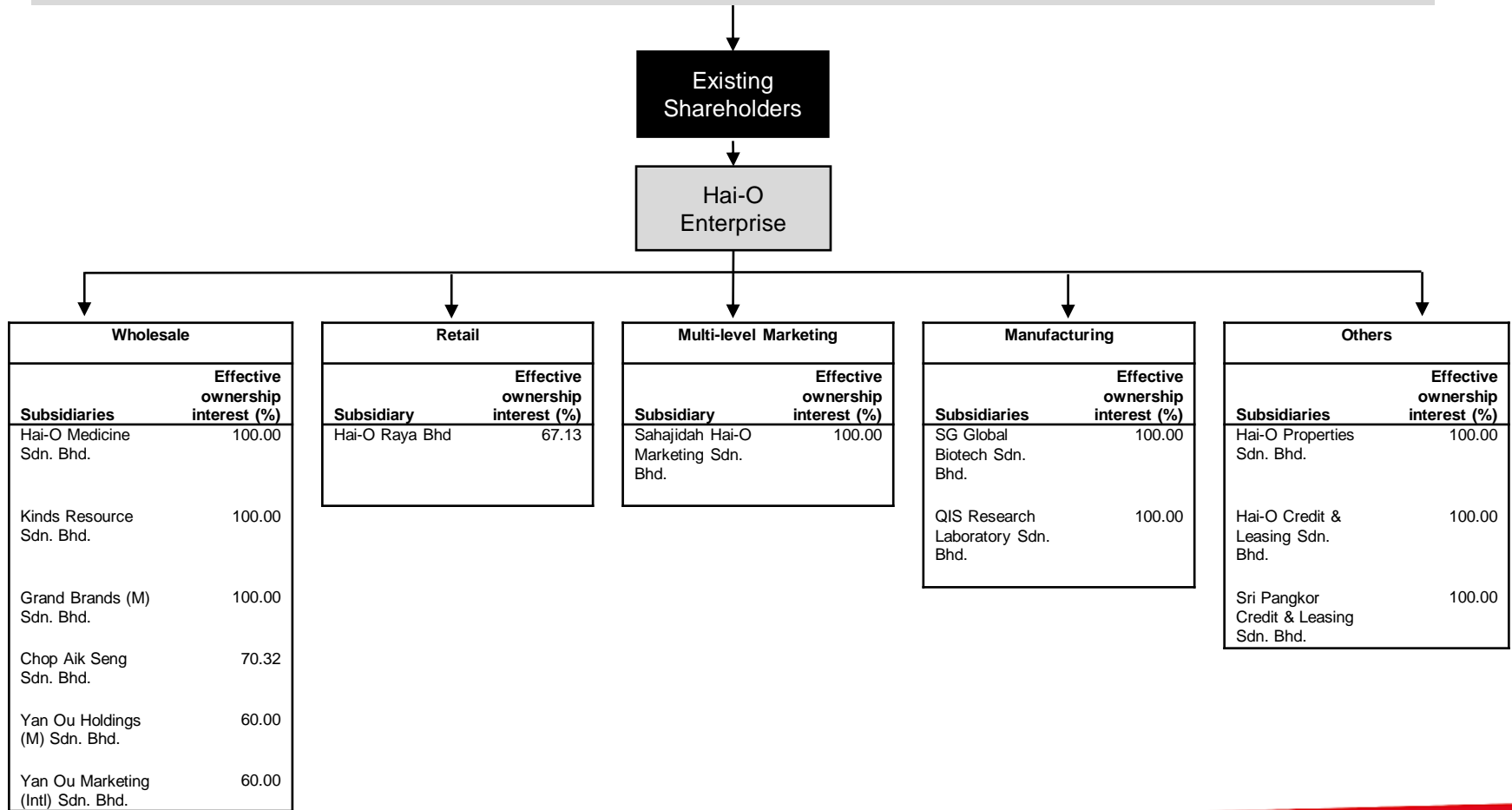
The Proposed Internal Reorganisation serves to:-

- 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;
- ii. enable BESHOM Group to achieve ease and flexibility in the expansion of new business segments or streamlining business segments as and when the opportunities arise; and
- iii. provide greater flexibility for business operations and facilitate an effective management of the different businesses moving forward.

# CORPORATE STRUCTURE

The corporate structure of the Hai-O Enterprise Group before the Proposed Internal Reorganisation is depicted below:-

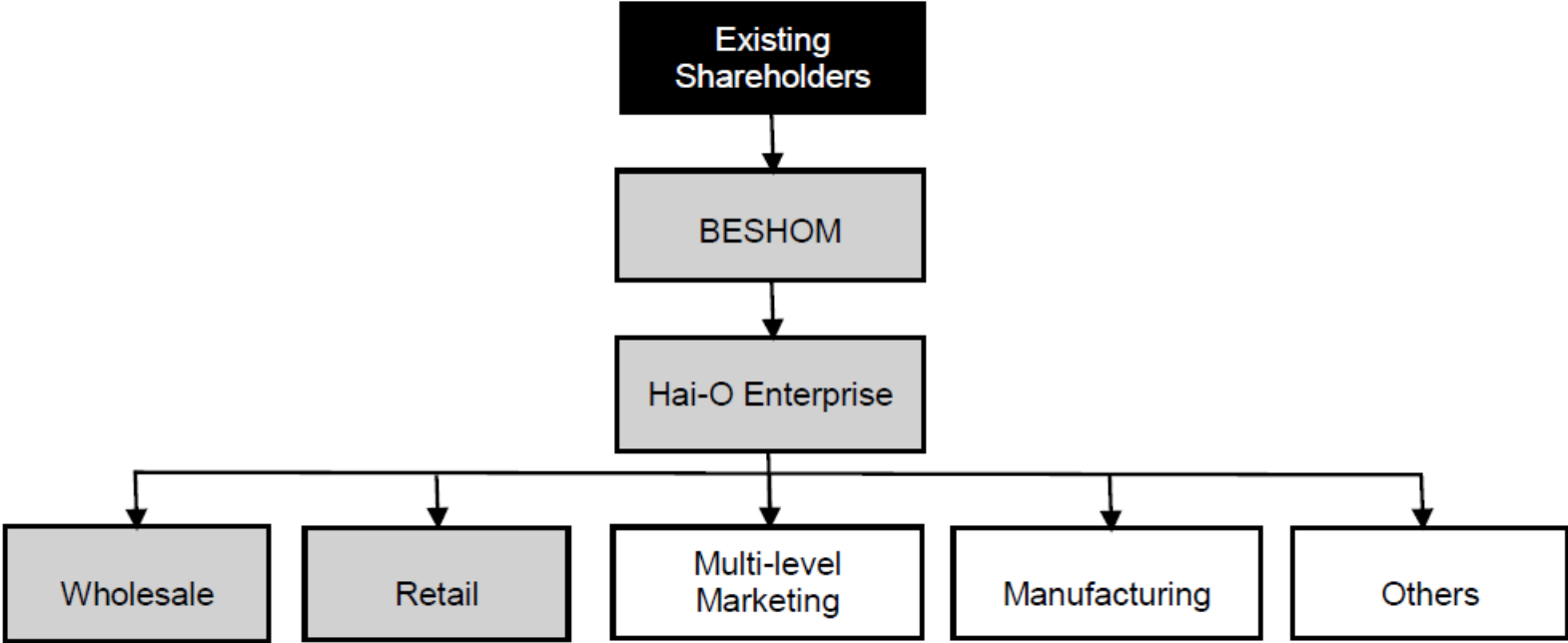
Corporate structure of Hai-O Enterprise Group as at the LPD



# CORPORATE STRUCTURE (Cont'd)

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.

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



# EFFECTS OF THE PROPOSED INTERNAL REORGANISATION

The proforma effects of the Proposed Internal Reorganisation 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 all of the treasury shares are resold to the market at acquisition cost prior to the Entitlement Date.

## 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	2	2	2
New BESHOM Shares to be issued pursuant to the Proposed Share Exchange	289,170,402	273,558,656	300,730,890	301,622,598
	<b>289,170,404</b>	<b>273,558,658</b>	<b>300,730,892</b>	<b>301,622,600</b>
New BESHOM Shares to be issued arising from full exercise of the New ESOS Options pursuant to the Proposed New ESOS	43,375,560	85,883,609	45,109,633	89,317,073
<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>

# EFFECTS OF THE PROPOSED INTERNAL REORGANISATION (Cont'd)

## NA 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:-

	Audited consolidated Hai-O Enterprise Group as at 30 April 2020 (RM'000)	After adjusting for subsequent events	Proforma	After the Proposed Internal Reorganisation		
		Hai-O Enterprise Group (RM'000)	Hai-O Enterprise Group (RM'000)	Hai-O Enterprise Group (RM'000)	BESHOM (RM'000)	Consolidated BESHOM Group (RM'000)
<b>Minimum Scenario</b>						
Share capital	157,256	157,256	151,429	151,429	273,558	273,558
Reorganisation Reserve	-	-	-	-	-	(122,129)
Treasury shares	(24,158)	(26,492)	-	-	-	-
Revenue reserve	166,488	143,315	122,650	122,129	-	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	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)	-	-	-	-	-	-

## EFFECTS OF THE PROPOSED INTERNAL REORGANISATION (Cont'd)

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

# EFFECTS OF THE PROPOSED INTERNAL REORGANISATION (Cont'd)

## 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.

## 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.

# APPROVALS REQUIRED

- i. the approval of Bursa Securities for the following:-
  - 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;
- ii. the approval of the shareholders of Hai-O Enterprise at the CCM and EGM for the Proposed Internal Reorganisation;
- iii. the order of the High Court sanctioning the Proposed Internal Reorganisation;
- iv. the approval/consents of the financiers/creditors of Hai-O Enterprise, if required; and
- v. the approval, consent and/or sanction of any other relevant authorities/parties, if required.



# TENTATIVE TIMETABLE

The tentative timetable for the implementation of the Proposed Internal Reorganisation is set out below:-

Tentative dates	Key events
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>

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

# THANK YOU



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# **Hai-O Enterprise Bhd**

## **Court Convened Meeting (CCM)**

### **Questions from Shareholders**

19 May 2021



1. Gift - Do take note that this is virtual AGM. Our patient is running out until the time where a physical meeting is convene and all the courtesies and hospitality will be extended due to all of us are at advance age. I on behalf of minority shareholder view of point would like to appeal for participation gift to those who attend this AGM. Believe that next year AGM still in virtual mode in view of poor vaccination rate. Do good for others, it will come back in unexpected ways.



## **Answer to Q1:**

Thank you for your comment. The Company will reward shareholders by way of dividend payments.

The Company is always appreciative of the interest and support shown by its shareholders'. In this connection, the Company has specially designed "Promo E-Vouchers"\* as a token of appreciation to our valuable shareholders which may be redeemed via our official e-commerce platform "Hai-O e-Store" <https://mall.hai-o.com.my> – (Promo Code SP2021); "Shopee" (Promo Code HAIO RM20); and "Lazada" by scanning the QR code provided.

\* T&C apply



2. Others - May I know whether board members are entitle to claim any allowances for attend this virtual AGM? How much?

**Answer to Q2:**

The Board members are not entitled to claim for meeting allowance to attend any general meeting of the Company.



3. Why the Company needs to conduct 2 meetings instead of to combine 2 into 1 to save cost as the approval to be sought is a replication on “Proposed Internal Reorganisation”.



**Answer to Q3:**

The Company is required to obtain an approval from its shareholders during the CCM (court convened meeting) in order to undertake the proposed Internal Reorganisation by way of Scheme of Arrangement under the Section 366 of the Companies Act.

A separate EGM is conducted to pass the special resolution in relation to the Proposed Internal Reorganisation.

There is no additional cost involved to convene the 2 separate meetings as the Broadcast venue is hosted by the Company virtually.





4. Will the retail minority shares be diluted after the reorganisation?

**Answer to Q4:**

No, upon completion of the Proposed Internal Reorganisation, the Proposed Share Exchange will be implemented on the basis of 1 new BESHOM Share for every 1 existing Hai-O Enterprise Share held.



# THANK YOU

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