

HAI-O ENTERPRISE BERHAD (22544-D)

(Incorporated in Malaysia)

SUMMARY OF MINUTES of the 40th Annual General Meeting of the Company held at Ballroom I, Level 2, The Federal Hotel Kuala Lumpur, No. 35, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 13 October 2015 at 11.30 a.m.

PRESENT : Tan Sri Osman S Cassim – Chairman
Mr Tan Kai Hee – Managing Director
Mr Tan Keng Kang - Executive Director cum Group Chief
Operating Officer
Mr Chia Kuo Wui – Non-Independent Non-Executive Director
Mr Lim Chin Luen – Non-Independent Non-Executive Director
Datin Sunita Mei-Lin Rajakumar – Independent Non-Executive Director
Mr Chow Kee Kan @ Chow Tuck Kwan – Independent Non-Executive
Director
Mr Tan Kim Siong – Independent Non-Executive Director
Professor Dr Lee Kong Hung - Independent Non-Executive Director

IN ATTENDANCE: Ms Irene Chew Mei Ling – Company Secretary

The list of shareholders and proxies who attended the Meeting are set out in the Attendance Lists.

1. QUORUM

The Chairman welcomed the members to the Company's 40th Annual General Meeting and upon confirming the presence of a quorum, duly called the meeting to order at 11.30 a.m.

2. NOTICE

There being no objection, the notice convening the meeting, having been circulated earlier to all the members of the Company within the prescribed notice period, was taken as read.

The Chairman informed that the Company has received 586 valid proxies carrying 26,687,824 shares or representing 13.72% of the Company's issued and paid-up capital.

Before the Meeting proceeded with the first item of the Agenda, the Chairman welcomed Professor Dr Lee Kong Hung who was appointed as the Independent Non-Executive Director of the Company on 8 July 2015 and briefly introduced Professor Dr Lee to the shareholders.

He thereafter informed the shareholders present that they may demand for a poll on any substantive resolution at the general meeting in accordance with the

Malaysian Code on Corporate Governance 2012.

The Chairman informed that the Company has received a letter from the Minority Shareholders Watchdog Group (“MSWG”) dated 7 October 2015. He thereafter invited the Master of Ceremony, Ms Grace Choy, to read out MSWG’s questions and the Company’s responses thereto for the Meeting’s information. Copies of the letter from MSWG and the Company’s reply to MSWG are attached as Appendices I and II respectively.

**3. AUDITED FINANCIAL STATEMENTS (“AFS”)
THE YEAR ENDED 30 APRIL 2015 (“FYE 30 APRIL 2015”)**

The AFS for the FYE 30 April 2015 and the Reports of the Directors and Auditors having been circulated to all the Members within the prescribed period were taken as read.

The Meeting congratulated Mr Tan Kai Hee (“Mr Tan”) on receiving “The Star of Malaysia-China Friendship” awarded by the China Embassy in Malaysia in conjunction with the 40th Anniversary of Malaysia-China diplomatic and bilateral relations and the Group’s achievement for winning the “Best SME Cash Management Solution, Country Awards (Malaysia)” at the Asset Triple A Treasury, Trade and Risk Management Awards 2015.

The queries raised on the AFS include amongst others, the future performance of the Group and the proposed actions to address the current global economic challenges which were addressed by the Chairman, Managing Director and the Group Chief Financial Officer of the Company. At the end of the question and answer session, Tan Sri Chairman declared that the AFS be received and the Meeting proceeded to Agenda 2.

4. RE-ELECTION OF DIRECTORS

i) RE-ELECTION OF MR TAN KENG KANG

In accordance with Article 102(1) of the Company’s Articles of Association, Mr Tan Keng Kang retires at the AGM and being eligible, has offered himself for re-election.

The Chairman proposed and Madam Soh Ai Choo seconded the following motion which was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion:-

“THAT Mr Tan Keng Kang who retires by rotation pursuant to Article 102(1) of the Company’s Articles of Association, and being eligible be hereby re-elected.”

ii) RE-ELECTION OF DATIN SUNITA MEI-LIN RAJAKUMAR

In accordance with Article 102(1) of the Company's Articles of Association, Datin Sunita Mei-Lin Rajakumar retires at the AGM and being eligible, has offered herself for re-election.

The Chairman proposed and Mr Leong seconded the following motion which was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion:-

"THAT Datin Sunita Mei-Lin Rajakumar who retires by rotation pursuant to Article 102(1) of the Company's Articles of Association, and being eligible be hereby re-elected."

iii) RE-ELECTION OF PROFESSOR DR. LEE KONG HUNG

In accordance with Article 109 of the Company's Articles of Association, Professor Dr Lee retires at the AGM and being eligible, has offered himself for re-election.

The Chairman proposed and Mdm Tan Siew Eng seconded the following motion which was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion:-

"THAT Professor Dr Lee who retires by rotation pursuant to Article 109 of the Company's Articles of Association, and being eligible be hereby re-elected."

5. PAYMENT OF DIRECTORS' FEES

Mr William Woon proposed and Mr Wan seconded the following motion which was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion:-

"THAT the payment of Directors' fees of RM160,000 for the financial year ended 30 April 2015 be hereby approved."

6. FINAL SINGLE TIER DIVIDEND OF 11 SEN

Mr William Woon proposed and Mr Wan seconded the following motion which was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion:-

"THAT the declaration of a final single tier dividend of 11 sen for the financial year ended 30 April 2015 be approved."

7. RE-APPOINTMENT OF AUDITORS

Mr Woo Peng Lim proposed and Mr William Woon seconded the following motion which was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion:-

“THAT Messrs KPMG be re-appointed as Auditors of the Company for the financial year ending 30 April 2016 and to hold office until the conclusion of the next annual general meeting of the Company at a remuneration to be determined by the Directors.”

8. RE-APPOINTMENT OF TAN SRI OSMAN S CASSIM

As the agenda involved the re-appointment of the Chairman as a Director, the Chairman handed the Chair to Mr Tan.

In accordance with Section 129(6) of the Companies Act, 1965, our Chairman, Tan Sri Osman S Cassim retires at the AGM and being eligible, has offered himself for re-appointment.

Mr. Tan proposed and Mr William Woon seconded the following motion which was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion:-

“THAT Tan Sri Osman S Cassim, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed Director of the Company to hold office until the next Annual General Meeting.”

Mr Tan then handed the Chair back to the Chairman.

9. RE-APPOINTMENT OF MR TAN KAI HEE

In accordance with Section 129(6) of the Companies Act, 1965, our Managing Director, Mr Tan Kai Hee retires at the AGM and being eligible, has offered himself for re-appointment.

The Chairman proposed and Mr William Woon seconded the following motion which was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion:-

“THAT Mr Tan Kai Hee, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed Director of the Company to hold office until the next Annual General Meeting.”

10. RE-APPOINTMENT OF MR LIM CHIN LUEN

In accordance with Section 129(6) of the Companies Act, 1965, Mr Lim Chin Luen retires at the AGM and being eligible, has offered himself for re-appointment.

The Chairman proposed and Mr William Woon seconded the following motion which was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion:-

“THAT Mr Lim Chin Luen, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed Director of the Company to hold office until the next Annual General Meeting.”

11. RETENTION OF TAN SRI OSMAN S CASSIM AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

As the agenda involved the retention of the Chairman as an Independent Non-Executive Director, the Chairman handed the Chair to Mr Tan.

On the invitation of Mr Tan, Mr KK Chow who is a member of the Nominating Committee stated on behalf of the Board that the Nominating Committee and the Board had assessed Tan Sri Osman’s independency and recommended that he be retained as an Independent Non-Executive Director.

Mr Tan then proposed the motion to retain Tan Sri Osman S Cassim as an Independent Non-Executive Director which was duly seconded by Mr Wan. The motion was put to the meeting for a vote and was declared carried by an unanimous vote in favour of the motion.

12. AUTHORITY TO ALLOT SHARES AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The next item on the agenda was to seek the shareholders authority for the allotment of shares pursuant to Section 132D of the Companies Act, 1965.

The Chairman put the following motion for a vote which was declared carried by a majority vote in favour of the motion:-

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

13. PROPOSED SHARE BUY-BACK BY THE COMPANY

Several shareholders put forth their queries and comments which were satisfactorily answered by the Chairman and Mr Tan, the following motion was put for a vote and was declared carried by an unanimous vote in favour of the motion:-

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

- i) the maximum number of Hai-O Shares which may be purchased and/or held as treasury shares by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company;
- ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Hai-O Shares shall not exceed the aggregate of the retained profits and/or the share premium account of the Company;
- iii) the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and will expire at the conclusion of the next annual general meeting of the Company, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next annual general meeting after that date is required by the law to be held, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authorities; and
- iv) upon completion of the purchase(s) of the Hai-O Shares by the Company, the Board be and is hereby authorized to retain the Hai-O Shares so purchased as treasury shares, of which may be distributed as dividends to shareholders and/or re-sold on Bursa Securities and/or subsequently cancelled and in other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force.

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

14. CLOSURE

The Meeting was declared closed at 1.30 p.m. with a vote of thanks to the Chair.