

THIS CIRCULAR TO SHAREHOLDERS OF BAHVEST RESOURCES BERHAD (“BAHVEST” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

This Circular has been reviewed by UOB Kay Hian Securities (M) Sdn Bhd as the Adviser of Bahvest for the Proposed Capital Reduction (as defined herein).

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) takes no responsibility for the contents of this 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 Circular.



BAHVEST RESOURCES BERHAD

(Registration No. 200401011001 (649504-D))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF BAHVEST PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

(Registration No. 199001003423 (194990-K))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting of Bahvest (“**EGM**”) which is to be held at Western Hall, LA Hotel, MPT No. 299, Jalan St Patrick (Off Jalan Belunu) 91000 Tawau, Sabah, Malaysia on Friday, 29 January 2021 at 11.00 a.m. or any adjournment thereof.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and to vote for and on his/her behalf. In such event, please complete and return the Proxy Form in accordance with the instructions therein and shall be deposited at the Share Registrar’s Office, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than twenty-four (24) hours before the time stipulated for holding the EGM as indicated below. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Thursday, 28 January, at 11.00 a.m.

Date and time of the EGM : Friday, 29 January 2021, at 11.00 a.m., or at any adjournment thereof

This Circular is dated 7 January 2021

DEFINITIONS

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

“Act”	: Companies Act 2016
“Bahvest” or the “Company”	: Bahvest Resources Berhad (Registration No. 200401011001 (649504-D))
“Bahvest Group” or the “Group”	: Bahvest and its subsidiary companies, collectively
“Bahvest Share(s)” or “Share(s)”	: Ordinary share(s) in Bahvest
“Board”	: The board of directors of Bahvest
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Circular”	: This circular to shareholders of Bahvest dated 7 January 2021
“Court”	: High Court of Malaya
“Director(s)”	: The director(s) of Bahvest having the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting of our Company
“EPS”	: Earnings per share
“ESOS”	: Employees’ share option scheme
“ESOS Option(s)”	: 46,669,060 outstanding ESOS options granted under our Company’s ESOS which are exercisable into 46,669,060 new Bahvest Shares
“FYE”	: Financial year ended/ending
“FPE”	: Financial period ended/ending
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities
“LPD”	: 31 December 2020, being the latest practicable date prior to the printing and despatch of this Circular
“NA”	: Net assets
“Proposed Capital Reduction”	: The proposed reduction of the issued share capital of Bahvest pursuant to Section 116 of the Act
“Record of Depositors”	: A record of depositors established by Bursa Depository under the Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991
“RM” and “sen”	: Ringgit Malaysia and sen respectively

DEFINITIONS (CONT'D)

- “UOBKH” or the “Adviser” : UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
- “Warrant(s)” : 599,995,756 outstanding warrants 2017/2024 constituted by the deed poll dated 2 August 2017

All references to “we”, “us”, “our” and “ourselves” are to Bahvest or Bahvest Group. All references to “you” in this Circular are to the shareholders of Bahvest. 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 a corporation, unless otherwise specified.

Any reference in this 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 Circular shall be a reference to Malaysian time, unless otherwise specified. Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this 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 Circular should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

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NOTICE OF EGM **ENCLOSED**

PROXY FORM **ENCLOSED**



BAHVEST RESOURCES BERHAD

(Registration No. 200401011001 (649504-D))
(Incorporated in Malaysia)

Registered Office

Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

7 January 2021

Board of Directors

Dato' Sri Dr. Md Kamal Bin Bilal	(Non-Independent Non-Executive Chairman)
Datuk Lo Fui Ming	(Managing Director / Chief Executive Officer)
Lo Teck Yong	(Executive Director)
Tan Sri Dato' Nik Hashim Bin Nik Abd. Rahman	(Senior Independent Non-Executive Director)
Sim Kay Wah	(Independent Non-Executive Director)

To: The shareholders of Bahvest

Dear Sir/Madam,

PROPOSED CAPITAL REDUCTION

1. INTRODUCTION

On 3 December 2020, UOBKH had, on behalf of our Board, announced that Bahvest proposes to undertake the Proposed Capital Reduction by reducing and cancelling part of the issued share capital of our Company pursuant to the Section 116 of the Act.

For avoidance of doubt, the Proposed Capital Reduction will not result in:-

- (i) any adjustment to the share price of Bahvest Shares;
- (ii) any change in the total number of Bahvest Shares in issue or the number of Bahvest Shares held by our shareholders;
- (iii) any change in total number or exercise price of the outstanding ESOS options granted by Bahvest;
- (iv) any change to the exercise price and number of the outstanding Warrants held by the Warrants holders of our Company;
- (v) any payment to the shareholders of Bahvest; and
- (vi) any cash outflow or change in the NA of Bahvest Group, save for the estimated expenses to be incurred in relation to the Proposed Capital Reduction.

Further details of the Proposed Capital Reduction are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED CAPITAL REDUCTION AND TO SEEK YOUR APPROVAL FOR THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction entails the reduction and cancellation of RM225.0 million of the issued share capital of our Company pursuant to Section 116 of the Act which is lost and unrepresented by available assets. The corresponding credit of RM225.0 million arising from the Proposed Capital Reduction will be utilised to eliminate the accumulated losses of our Company while the balance will be credited to the retained earnings account of our Company, which may be utilised thereafter in such manner as our Board deems fit, as permitted by the relevant and applicable laws, the ACE Market Listing Requirements of Bursa Securities as well as the Constitution of our Company.

As at the LPD, the total issued share capital of our Company is RM286,573,745 comprising 1,231,325,460 Bahvest Shares.

Our Company does not have any treasury shares as at the LPD. In addition, as at the LPD, our Company has:-

- (i) 599,995,756 outstanding Warrants which are exercisable into 599,995,756 new Bahvest Shares at the exercise price of RM0.43 per Warrant; and
- (ii) 46,669,060 outstanding ESOS Options granted under our Company's ESOS which are exercisable into 46,669,060 new Bahvest Shares.

For illustrative purposes, the proforma effects of the Proposed Capital Reduction on the accumulated losses of our Company and Group based on the latest audited financial statements of Bahvest Group for the FYE 31 March 2020 and the unaudited financial results of Bahvest Group for the 6-month FPE 30 September 2020 are as set out below:-

	Audited as at 31 March 2020		Unaudited 6-month FPE 30 September 2020	
	Company (RM)	Group (RM)	Company (RM)	Group (RM)
Accumulated losses	(222,459,403)	(175,252,036)	(224,025,312)	(171,919,621)
Add: Credit arising from the Proposed Capital Reduction	225,000,000	225,000,000	225,000,000	225,000,000
Less: Estimated expenses for the Proposed Capital Reduction	(120,000)	(120,000)	(120,000)	(120,000)
Resultant retained earnings/(accumulated losses)	2,420,597	49,627,964	854,688	52,960,379

An order by the Court will be sought to confirm the Proposed Capital Reduction pursuant to Section 116 of the Act after receipt of approval from the shareholders of our Company for the Proposed Capital Reduction at the forthcoming EGM.

The effective date of the Proposed Capital Reduction will be the date of lodgement of the sealed court order of the Court for the Proposed Capital Reduction with the Registrar of Companies pursuant to Section 116(6) of the Act.

3. RATIONALE FOR THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction will:-

- (i) enable our Company to rationalise its statement of financial position by eliminating its accumulated losses to more accurately reflect the value of our underlying assets and financial position;
- (ii) enhance the credibility of our Group with the bankers, customers, suppliers, investors, and other stakeholders of our Group following the elimination of the accumulated losses; and
- (iii) enhance the ability of our Company to pay dividends out of its retained earnings in the future.

4. EFFECTS OF THE PROPOSED CAPITAL REDUCTION

The proforma effects of the Proposed Capital Reduction have been illustrated based on the following scenarios:-

Minimum Scenario : Assuming none of the outstanding Warrants and ESOS Options are exercised prior to the completion of the Proposed Capital Reduction.

Maximum Scenario : Assuming all of the outstanding Warrants and ESOS Options are exercised prior to the completion of the Proposed Capital Reduction.

4.1 Issued share capital

The proforma effects of the Proposed Capital Reduction on the issued share capital of our Company are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Bahvest Shares	(RM)	No. of Bahvest Shares	(RM)
Share capital of Bahvest as at the LPD	1,231,325,460	286,573,745	1,231,325,460	286,573,745
Assuming full exercise of the Warrants ⁽¹⁾	-	-	599,995,756	257,998,175
Assuming full exercise of the ESOS Options ⁽²⁾	-	-	46,669,060	16,662,473
Reduction of the issued share capital pursuant to the Proposed Capital Reduction	1,231,325,460	286,573,745	1,877,990,276	561,234,393
	-	(225,000,000)	-	(225,000,000)
After the Proposed Capital Reduction	1,231,325,460	61,573,745	1,877,990,276	336,234,393

Notes:-

- (1) Assuming all the 599,995,756 outstanding Warrants are exercised prior to the completion of the Proposed Capital Reduction at an exercise price of RM0.43 per Warrant.
- (2) Assuming all the 46,669,060 outstanding ESOS Options are exercised prior to the completion of Proposed Capital Reduction at the following respective exercise price:-

No. of outstanding ESOS Options	Exercise price (RM)
43,104,400	0.35
1,824,600	0.37
200,000	0.50
1,540,060	0.52

4.2 Substantial shareholders' shareholdings

The Proposed Capital Reduction will not have any effect on the shareholdings of the substantial shareholders in our Company.

4.3 NA, NA per share and gearing

For illustration purposes, the proforma effects of the Proposed Capital Reduction on the NA, NA per share and gearing of our Company based on the audited consolidated financial statement of financial position of our Company for the FYE 31 March 2020 are set out below:-

Minimum Scenario

	Audited as at 31 March 2020 (RM'000)	⁽¹⁾After adjustment for subsequent events (RM'000)	Proforma I After the Proposed Capital Reduction (RM'000)
Share capital	284,314	286,574	⁽²⁾ 61,574
Warrants reserve	-	-	-
ESOS reserve	10,815	10,170	10,170
(Accumulated losses)/retained earnings	(175,252)	(174,607)	⁽³⁾ 50,273
Shareholders' equity/NA	119,877	122,137	122,017
No. of Bahvest Shares in issued ('000)	1,227,875	1,231,325	1,231,325
NA per Bahvest Share (RM)	0.10	0.10	0.10
Total borrowings (RM'000)	22,152	22,152	22,152
Gearing (times)	0.18	0.18	0.18

Notes:-

- (1) After adjusting for the exercise of 3,450,400 ESOS Options from 30 July 2020 up to the LPD at the following respective exercise price:-

No. of ESOS Options	Exercise price (RM)
646,000	0.35
300,000	0.52
2,404,400	0.35
100,000	0.52

- (2) After cancellation of approximately RM225.0 million from the share capital of our Company pursuant to the Proposed Capital Reduction.
- (3) After deducting estimated expenses pertaining to the Proposed Capital Reduction amounting to approximately RM0.12 million.

Maximum Scenario

	Audited as at 31 March 2020 (RM'000)	(1)After adjustment for subsequent events (RM'000)	Proforma I Assuming all the outstanding Warrants and ESOS Options are exercised (RM'000)	Pro forma II After Proforma I and the Proposed Capital Reduction (RM'000)
Share capital	284,314	286,574	(2)(3)561,234	(4)336,234
Warrants reserve	-	-	-	-
ESOS reserve	10,815	10,170	-	-
(Accumulated losses)/retained earnings	(175,252)	(174,607)	(164,437)	(5)60,443
Shareholders' equity/NA	119,877	122,137	396,797	396,677
No. of Bahvest Shares ('000)	1,227,875	1,231,325	1,877,989	1,877,989
NA per Bahvest Shares (RM)	0.10	0.10	0.21	0.21
Borrowings (RM'000)	22,152	22,152	22,152	22,152
Gearing (times)	0.18	0.18	0.06	0.06

Notes:-

- (1) After adjusting for the exercise of 3,450,400 ESOS Options from 30 July 2020 up to the LPD at the following respective exercise price:-

No. of ESOS Options	Exercise price (RM)
646,000	0.35
300,000	0.52
2,404,400	0.35
100,000	0.52

- (2) Assuming all the 599,995,756 outstanding Warrants are exercised prior to the completion of the Proposed Capital Reduction at an exercise price of RM0.43 per Warrant.
- (3) Assuming all the 46,669,060 outstanding ESOS Options are exercised prior to the completion of the Proposed Capital Reduction at the following respective exercise prices:-

No. of outstanding ESOS Options	Exercise price (RM)
43,104,400	0.35
1,824,600	0.37
200,000	0.50
1,540,060	0.52

- (4) After cancellation of approximately RM225.0 million from the share capital of our Company pursuant to the Proposed Capital Reduction.
- (5) After deducting estimated expenses pertaining to the Proposed Capital Reduction amounting to approximately RM0.12 million.

4.4 Earnings and EPS

The Proposed Capital Reduction will not have any material effect on the consolidated earnings and EPS of Bahvest for the FYE 31 March 2021.

4.5 Convertible securities

As at the LPD, save for 599,995,756 outstanding Warrants and 46,669,060 outstanding ESOS Options, our Company does not have any outstanding convertible securities.

The Proposed Capital Reduction will not give rise to any adjustment to the exercise price and the number of the outstanding Warrants and ESOS Options.

5. APPROVALS REQUIRED

The Proposed Capital Reduction is subject to the following approvals being obtained:-

- (i) the approvals of our shareholders at the forthcoming EGM for the Proposed Capital Reduction;
- (ii) the sanction of the Court pursuant to Section 116 of the Act;
- (iii) the approval or consent of Bahvest Group's financiers/creditors for the Proposed Capital Reduction ("**Consents**"), if applicable. The Company will obtain the necessary Consents prior to the approval of the forthcoming EGM; and
- (iv) the approval of any other relevant authorities and/or parties, if applicable.

6. CONDITIONALITY

The Proposed Capital Reduction is not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

7. CORPORATE PROPOSAL ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Capital Reduction, there are no other corporate exercises which have been announced but not yet completed prior to the date of this Circular.

8. INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the directors, substantial shareholders or chief executive of Bahvest and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Capital Reduction.

9. DIRECTORS' RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Capital Reduction, including but not limited to the rationale and financial effects of the Proposed Capital Reduction, is of the opinion that the Proposed Capital Reduction is in the best interest of our Company and recommends that the shareholders of Bahvest vote in favour of the resolution pertaining to the Proposed Capital Reduction at the forthcoming EGM.

10. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timetable for the implementation of the Proposed Capital Reduction is set out below:-

Date	Events
29 January 2021	EGM for the Proposed Capital Reduction
Mid February 2021	Application to the Court for the Proposed Capital Reduction
End March 2021	Confirmation by the Court pursuant to Section 116 of the Act
Mid April 2021	Lodgement of the sealed court order of the Court with the Registrar of Companies

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Capital Reduction is expected to be completed by the 1st quarter of 2021.

11. EGM

The EGM, the Notice of which is enclosed with this Circular, will be held at Western Hall, LA Hotel, MPT No. 299, Jalan St Patrick (Off Jalan Belunu) 91000 Tawau, Sabah, Malaysia on Friday, 29 January 2021 at 11.00 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the resolution to give effect to the Proposed Capital Reduction.

If the shareholders of Bahvest are unable to attend and vote at the EGM, the shareholders may submit the enclosed Proxy Form in accordance with the instructions contained therein, to be deposited at our Share Registrar's office at Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur or deposit the Proxy Form by electronic means directly at info@sshshb.com.my not less than twenty-four (24) hours before the time and date stipulated for holding the EGM or at any adjournment thereof. The Proxy Form should be completed strictly in accordance with the instruction contained therein. The lodging of Proxy Form shall not preclude the shareholders of Bahvest from attending and voting in person at the EGM should the shareholders of Bahvest subsequently wish to do so.

12. FURTHER INFORMATION

Shareholders are advised to refer to the Appendix set out in this Circular for further information.

Yours faithfully,
For and on behalf of our Board of
BAHVEST RESOURCES BERHAD

DATUK LO FUI MING
Managing Director / Chief Executive Officer

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and they individually and collectively accept full responsibility for the accuracy of the information contained herein 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 Circular or other facts, the omission of which would make any statements or information herein false or misleading.

2. CONSENT

UOBKH, being the Adviser for the Proposed Capital Reduction, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH 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 Adviser to our Company for the Proposed Capital Reduction.

4. MATERIAL CONTRACTS

Save as disclosed below, neither our Company nor our Group has entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of our Group) during the 2 years immediately preceding the date of this Circular:-

- (a) Sale and Purchase Agreement dated 22 September 2020 between Plentiful Earnings Sdn Bhd (an indirect wholly owned subsidiary of Bahvest) (as vendor) and Synergy Multi Resources Sdn Bhd (as purchaser) for the disposal of live fish and certain assets relating to business of fish rearing operations and fish farming in sea water for a cash consideration of RM1,276,952.92; and
- (b) Sale and Purchase Agreement dated 22 September 2020 between Plentiful Harvest Sdn Bhd (a direct wholly owned subsidiary of Bahvest) (as vendor) and Synergy Multi Resources Sdn Bhd (as purchaser) for the disposal of live fish and certain assets relating to business of fish breeding, operations of hatchery, fish rearing and fish farming in sea water for a cash consideration of RM3,699,391.92.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither our Company nor our Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board does not have any knowledge or any proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of our Group.

6. MATERIAL COMMITMENTS

As at the LPD, our Board, after making all reasonable enquiries, is not aware of any material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

FURTHER INFORMATION (CONT'D)

7. CONTINGENT LIABILITIES

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia, during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the Constitution of Bahvest;
- (ii) the audited consolidated financial statements of Bahvest Group for the past 2 financial years up to the FYE 31 March 2020 and the latest unaudited quarterly results of Bahvest Group for the 6-month FPE 30 September 2020;
- (iii) the material contracts referred to in **Section 4** of this **Appendix I**; and
- (iv) the letter of consent and declaration of conflict of interest referred to in **Section 2** and **Section 3** of this **Appendix I**.

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BAHVEST RESOURCES BERHAD

(Registration No. 200401011001 (649504-D))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of Bahvest Resources Berhad (“**Bahvest**” or the “**Company**”) will be held at Western Hall, LA Hotel, MPT No. 299, Jalan St Patrick (Off Jalan Belunu) 91000 Tawau, Sabah, Malaysia on Friday, 29 January 2021 at 11.00 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification the resolution as set out in this notice.

SPECIAL RESOLUTION

PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF BAHVEST PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 (“ACT”) (“PROPOSED CAPITAL REDUCTION”)

“**THAT**, subject to all approvals being obtained from the relevant authorities and/or parties, if applicable, and the confirmation by the High Court of Malaya pursuant to Section 116 of the Act, approval be and is hereby given for the board of directors of Bahvest (“**Board**”) to implement the Proposed Capital Reduction and reduce the share capital of the Company via the cancellation of RM225.0 million of the issued share capital of the Company and that the credit arising from such share capital reduction shall be used to eliminate the accumulated losses of the Company;

THAT, the surplus after the elimination of the Company’s accumulated losses pursuant to the Proposed Capital Reduction, if any, shall be credited to the retained earnings account of the Company, which may be utilised in such manner as the Board deems fit and in the best interest of the Company, as permitted by the relevant and applicable laws as well as the Constitution of the Company;

AND THAT, the Board be and is hereby authorised to approve, sign and execute all documents, do all things and acts as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Capital Reduction in the best interest of the Company with full power to assent to any conditions, variation, modifications, and/or amendments in any manner as may be required by any relevant authorities, the relevant and applicable laws or deemed necessary or desirable by the Board.”

By Order of the Board,
BAHVEST RESOURCES BERHAD

WONG YOUN KIM (MAICSA 7018778)
Company Secretary

Kuala Lumpur, Malaysia
7 January 2021

Notes:-

1. For the purpose of determining who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 22 January 2021. Only a member whose name appears on this Record of Depositors shall be regarded as a member entitled to attend, speak and vote or to appoint a proxy or proxies to attend, speak and vote in this EGM.
2. A member who is entitled to participate in this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to participate and vote at this EGM may appoint not more than two (2) proxies to participate instead of the member at this EGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Securities Industry (Central Depositories) Act 1991.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding this EGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.
 - (ii) By electronic form
The Proxy Form can be electronically mail at info@sshsb.com.my (applicable to individual shareholders only).
8. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
9. Last date and time for lodging the Proxy Form is Thursday, 28 January 2021 at 11.00 a.m.



BAHVEST RESOURCES BERHAD

(Registration No. 200401011001 (649504-D))
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	Number of Shares Held

I/We _____ Tel: _____
(Full Name in block, NRIC/Passport/Company No.)

of _____
(Address)

being (a) member(s) of **BAHVEST RESOURCES BERHAD**, hereby appoint:

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or* (*delete as appropriate)

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and on a poll to vote for *me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Western Hall, LA Hotel, MPT No. 299, Jalan St Patrick (Off Jalan Belunu) 91000 Tawau, Sabah, Malaysia on Friday, 29 January 2021 at 11.00 a.m. or at any adjournment thereof, and to vote as indicated below:-

Resolution		FOR	AGAINST
Special Resolution	Proposed Capital Reduction		

*(Please indicate with an "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your*proxy/proxies will vote or abstain as he thinks fit).*

Signed this _____ day of _____ 2021

Signature/Common Seal of Member^

^ Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this Proxy Form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this Proxy Form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



Notes:-

1. *For the purpose of determining who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 22 January 2021. Only a member whose name appears on this Record of Depositors shall be regarded as a member entitled to attend, speak and vote or to appoint a proxy or proxies to attend, speak and vote in this EGM.*
2. *A member who is entitled to participate in this EGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to participate and vote at this EGM may appoint not more than two (2) proxies to participate instead of the member at this EGM.*
4. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Securities Industry (Central Depositories) Act 1991.*
6. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding this EGM or adjourned general meeting at which the person named in the appointment proposes to vote:*
 - (i) *In hard copy form*
In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.
 - (ii) *By electronic form*
The Proxy Form can be electronically mail at info@sshsb.com.my (applicable to individual shareholders only).
8. *Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.*
9. *Last date and time for lodging the Proxy Form is Thursday, 28 January 2021 at 11.00 a.m.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

BAHVEST RESOURCES BERHAD

(Registration No. 200401011001 (649504-D))

c/o SECURITIES SERVICES (HOLDINGS) SDN BHD

(Registration No. 197701005827 (36869-T))

Level 7, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

Damansara Heights

50490 Kuala Lumpur

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