

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

Bursa Malaysia Securities Berhad 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.

This Circular has been reviewed by TA Securities Holdings Berhad as the adviser to Bioalpha Holdings Berhad for the Proposed Bonus Issue and Proposed SIS (as defined herein).



**BIOALPHA HOLDINGS BERHAD**

(Company No. 949536-X)

(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- (I) **PROPOSED BONUS ISSUE OF 166,666,666 NEW ORDINARY SHARES OF RM0.05 EACH IN THE COMPANY ("BIOALPHA SHARES") ("BONUS SHARES") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY THREE (3) EXISTING BIOALPHA SHARES HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE");**
- (II) **PROPOSED SHARE ISSUANCE SCHEME OF UP TO THIRTY PERCENT (30%) OF THE COMPANY'S ISSUED AND PAID-UP SHARE CAPITAL (EXCLUDING ANY TREASURY SHARES) AT ANY ONE TIME DURING THE DURATION OF THE SCHEME FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF BIOALPHA GROUP OF COMPANIES ("BIOALPHA GROUP" OR "GROUP") (EXCLUDING DORMANT SUBSIDIARIES AND NON-MALAYSIAN SUBSIDIARIES) ("PROPOSED SIS");**
- (III) **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF BIOALPHA FROM RM25,000,000 COMPRISING 500,000,000 BIOALPHA SHARES TO RM100,000,000 COMPRISING 2,000,000,000 BIOALPHA SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL"); AND**
- (IV) **PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION ("MOA") OF BIOALPHA TO FACILITATE THE PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL ("PROPOSED MOA AMENDMENT").**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser for (I) and (II)*



**TA SECURITIES**

A MEMBER OF THE TA GROUP

**TA SECURITIES HOLDINGS BERHAD (14948-M)**

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting of our Company ("EGM") to be held at Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor, Malaysia on Friday, 19 August 2016 at 10.00 a.m. and the Proxy Form are enclosed in this Circular.

As a shareholder, you can appoint a proxy or proxies to attend and vote on your behalf. You must complete and deposit the Proxy Form at the office of our Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 17 August 2016 at 10.00 a.m.

Date and time of EGM : Friday, 19 August 2016 at 10.00 a.m.

This Circular is dated 22 July 2016

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## DEFINITIONS

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The following definitions shall apply throughout this Circular, except where the context otherwise requires:

“Act”	: Companies Act, 1965
“Bioalpha” or “Company”	: Bioalpha Holdings Berhad
“Bioalpha Group” or the “Group”	: Bioalpha and its subsidiaries
“Bioalpha Shares” or “Shares”	: Ordinary shares of RM0.05 each in Bioalpha
“Board”	: Board of Directors of our Company
“Bonus Shares”	: Up to 166,666,666 new Bioalpha Shares to be issued pursuant to the Proposed Bonus Issue
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“By-laws”	: By-laws governing the Proposed SIS (a draft of which is set out in <b>Appendix I</b> herein)
“Circular”	: This circular dated 22 July 2016 in relation to the Proposals
“Date of Offer”	: The date on which an Offer (including subsequent Offers) is made to the Eligible Persons by the SIS Committee to participate in the Proposed SIS
“Director”	: A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 4 of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
“Effective Date”	: The date of full compliance with all relevant requirements pursuant to the Listing Requirements in relation to the SIS
“EGM”	: Extraordinary general meeting
“Eligible Persons”	: Directors and employees of our Group (excluding dormant subsidiaries and non-Malaysian subsidiaries), who meet the criteria of eligibility for participation in the Proposed SIS
“Entitled Shareholders”	: Shareholders of Bioalpha whose names appear in the Record of Depositors of the Company as at the close of business on Entitlement Date
“Entitlement Date”	: A date (to be determined by the Board and announced later by the Company) as at the close of business on which the names of the shareholders of the Company must appear in the Record of Depositors in order to be entitled for the Bonus Shares
“EPS”	: Earnings per Share
“Exercise Price”	: Price payable for the new Bioalpha Shares upon exercise of SIS Options granted under the Proposed SIS
“FYE”	: Financial year ended

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**DEFINITIONS (cont'd)**

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“Grantee”	:	An Eligible Person who has accepted the Offer, in accordance with the By-laws
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LPD”	:	15 July 2016, the latest practicable date before this Circular is printed
“Maximum Allowable Allocation”	:	The maximum number of Shares that can be offered and allotted to an Eligible Person in the manner provided for in the By-laws
“MFRS-2”	:	Malaysian Financial Reporting Standard 2 – Share-based Payment, as issued by the Malaysian Accounting Standards Board
“NA”	:	Net assets
“Offers”	:	Written offers by the SIS Committee to Eligible Persons to participate in the Proposed SIS in accordance with the By-laws
“Proposals”	:	Proposed Bonus Issue, Proposed SIS, Proposed Increase in Authorised Share Capital and Proposed MOA Amendment, collectively
“Proposed Bonus Issue”	:	Proposed bonus issue of 166,666,666 Bioalpha Shares on the basis of one (1) Bonus Share for every three (3) existing Bioalpha Shares held at the Entitlement Date
“Proposed Increase in Authorised Share Capital”	:	Proposed increase in the authorised share capital of Bioalpha from RM25,000,000 comprising 500,000,000 Bioalpha Shares to RM100,000,000 comprising 2,000,000,000 Bioalpha Shares
“Proposed MOA Amendment”	:	Proposed amendment to the Memorandum of Association of Bioalpha to facilitate the Proposed Increase in Authorised Share Capital
“Proposed SIS” or “SIS”	:	Proposed establishment of a share issuance scheme of up to thirty percent (30%) of Bioalpha’s issued and paid-up share capital (excluding any treasury shares) at any time during the duration of the SIS
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SIS Committee”	:	A committee to be duly authorised and appointed by our Board to administer the Proposed SIS
“SIS Options”	:	Options to be granted under the Proposed SIS for the Eligible Persons to subscribe for SIS Shares
“SIS Shares”	:	New Bioalpha Shares to be issued upon exercise of the SIS Options
“TA Securities”	:	TA Securities Holdings Berhad

#### References within this Circular

References to “our Company” relate to Bioalpha, and references to “our Group” relate to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” relate to our Company, or where the context requires, relate to our Group. References to “you” relate to the shareholders of our Company.

Where applicable, words incorporating the singular shall include the plural and vice versa, and words incorporating the masculine gender shall include the feminine and neuter genders and vice versa.

References to persons shall include corporations, unless specified otherwise. References to enactments and acts also relate to amendments, modifications and re-enactments made from time to time to such enactments and acts. References to time of day shall relate to Malaysian time, unless specified otherwise.

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**BIOALPHA HOLDINGS BERHAD**  
(Company No. 949536-X)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**  
Suite 10.03, Level 10  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

Date: 22 July 2016

**Board of Directors**

Tan Sri Abd Rahman Bin Mamat (*Independent Non-Executive Chairman*)  
Hon Tian Kok @ William (*Managing Director/ Chief Executive Officer*)  
Dato' Sri Hj. Syed Zainal Abidin B Syed Mohamed Tahir (*Executive Director*)  
Ho Tze Hiung (*Executive Director*)  
Dato' Norhalim Bin Yunus (*Non-Independent Non-Executive Director*)  
Dato' Rosely Bin Samsuri (*Non-Independent Non-Executive Director*)  
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim (*Independent Non-Executive Director*)  
Dr. Nik Ismail Bin Nik Daud (*Independent Non-Executive Director*)  
Mohd Nasir Bin Abdullah (*Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir/Madam,

- (I) **PROPOSED BONUS ISSUE;**
- (II) **PROPOSED SIS;**
- (III) **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND**
- (IV) **PROPOSED MOA AMENDMENT**

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**1. INTRODUCTION**

On 27 May 2016, TA Securities had announced on behalf of our Board that we proposed to undertake the Proposals.

Bursa Securities had, vide its letter dated 13 July 2016, approved the listing of and quotation for the Bonus Shares and SIS Shares on the ACE Market of Bursa Securities, subject to the conditions set out in Section 7 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS RELATING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND ITS APPENDICES BEFORE VOTING ON THE RESOLUTIONS.**

## 2. DETAILS OF THE PROPOSALS

### 2.1 Details of the Proposed Bonus Issue

#### 2.1.1 Basis and number of Bonus Shares to be issued

Our Company is proposing to issue 166,666,666 Bonus Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every three (3) existing Bioalpha Shares held by the Entitled Shareholders of our Company on the Entitlement Date.

Fractional entitlements arising from the Proposed Bonus Issue shall be disregarded and dealt with by our Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of our Company.

The Proposed Bonus Issue is not intended to be implemented in stages over a period of time.

#### 2.1.2 Capitalisation of reserves

The Proposed Bonus Issue shall be wholly capitalised from the share premium account of our Company.

Our Board confirms that the reserves available to be capitalised for the Proposed Bonus Issue are unimpaired by losses on a consolidated basis, based on our Company's audited consolidated financial statements as at 31 December 2015 and the latest unaudited consolidated financial statements as at 31 March 2016. Hence, our Company is in compliance with Rule 6.31(1) of the Listing Requirements.

Based on our Company's latest audited financial statements for the FYE 31 December 2015 and its latest unaudited financial statements for the FYE 31 March 2016, the reserves are as follows:

	Audited as at 31 December 2015		Unaudited as at 31 March 2016	
	Group RM	Company RM	Group RM	Company RM
Share premium	24,361,905	24,361,905	25,000,000	25,000,000
Merger deficits	(4,969,130)	-	(4,969,130)	-
Retained profits / (Accumulated losses)	36,439,983	(2,292,385)	36,352,135	(2,249,274)
Total reserves	55,832,758	22,069,520	56,383,005	22,750,726

Our Board confirms that the available share premium for capitalisation are adequate to cover the entire Proposed Bonus Issue, based on our Company's audited consolidated financial statements as at 31 December 2015. Hence, our Company is in compliance with Rule 6.31(3) of the Listing Requirements.

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The proposed capitalisation of reserves for the Proposed Bonus Issue is illustrated below:

**Bioalpha (Company level)**

	<b>Audited as at 31 December 2015 RM</b>	<b>Unaudited as at 31 March 2016 RM</b>
Share premium	24,361,905	25,000,000
Less: Amount to be capitalised for Proposed Bonus Issue	(8,333,333)	(8,333,333)
Less: Estimated expenses for the Proposals	(200,000)	(200,000)
After Proposed Bonus Issue	<u>15,828,572</u>	<u>16,466,667</u>

**2.1.3 Ranking of the Bonus Shares**

The Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Bioalpha Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Bonus Shares.

**2.2 Details of the Proposed SIS**

Our Company is proposing to grant SIS Options to the Eligible Persons, to subscribe for new Bioalpha Shares in accordance with the By-laws.

The Proposed SIS will be administered by the SIS Committee.

The decision as to whether or not to stagger the allocation of the SIS Options over the duration of the Proposed SIS will be determined by the SIS Committee at a later date.

The salient terms and conditions of the By-laws are as follows:

**2.2.1 Maximum number of new Bioalpha Shares available under the Proposed SIS**

The maximum number of new Bioalpha Shares to be issued pursuant to the exercise of the SIS Options which may be granted under the Proposed SIS shall not in aggregate exceed thirty percent (30%) of the issued and paid-up share capital of the Company (excluding any treasury shares) at any one time throughout the duration of the SIS.

**2.2.2 Maximum allowable allotment and basis of allocation**

The aggregate number of new Bioalpha Shares that may be offered under the SIS Options to the Eligible Persons shall be determined at the sole and absolute discretion of the SIS Committee after taking into consideration, amongst others, the position, performance, length of service, and seniority of the Eligible Persons, and such other factors that the SIS Committee may in its sole and absolute discretion deem fit, subject to the following:

- (i) the Directors and senior management of the Bioalpha Group (excluding dormant subsidiaries and non-Malaysian subsidiaries) do not participate in the deliberation or discussion of their own allocation of SIS Options;
- (ii) not more than ten percent (10%) of the total number of SIS Options shall be allocated to any Eligible Person who, either singly or collectively through persons connected with such Eligible Person, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of the Company; and



- (iii) the number of SIS Options allocated, in aggregate, to the Directors and senior management of our Group shall not exceed eighty percent (80%) of the total number of SIS Options allocated.

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

The actual number of Shares which may be offered to any Eligible Person shall be at the discretion of the SIS Committee provided that the number of new Shares so offered shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allocation of such Eligible Person and shall be in multiples of one hundred (100) Shares.

### **2.2.3 Eligibility**

Subject to the discretion of the SIS Committee, Eligible Persons must be Directors or employees of Bioalpha or its non-dormant subsidiaries who fulfil the following criteria as at the Date of Offer:

- (i) the employee:
  - (a) is at least eighteen (18) years of age;
  - (b) is confirmed in writing as a full time employee; and
  - (c) fulfils any other criteria and/or falls within such category as may be determined by the SIS Committee from time to time.
- (ii) the Director, whether executive or non-executive:
  - (a) is at least eighteen (18) years of age;
  - (b) has his/her specific allocation of the SIS Options approved by the shareholders of Bioalpha at a general meeting; and
  - (c) fulfils any other criteria and/or falls within such category as may be determined by the SIS Committee from time to time.

No SIS Options will be granted to any Director, chief executive, major shareholder of the Company or any person connected with them unless shareholders in a general meeting have approved the specific allotment to be made to such persons.

Subject to the By-laws, there are no performance targets to be achieved by the Grantee before the SIS Options can be exercised and the SIS Shares can be vested by the Grantee.

The SIS Options offered to an Eligible Person may, subject to the compliance or fulfillment by the Eligible Person of the vesting conditions determined by the SIS Committee, be vested in the Eligible Person in such number of tranche or tranches and in such number of SIS Options in each tranche as shall be determined by the SIS Committee.

Eligibility does not confer on an Eligible Person a claim or right to participate in the Proposed SIS unless an offer has been made in writing by the SIS Committee to the Eligible Person and the Eligible Person has accepted the offer in accordance with the By-laws.

Further details of the eligibility to participate in the Proposed SIS is set out in the By-laws.

#### **2.2.4 Exercise price**

The Exercise Price, which is to be determined by our Board upon recommendation of the SIS Committee, shall be based on the higher of the following:

- (i) the volume weighted average market price of the Bioalpha Shares for the five (5) market days immediately preceding the Date of Offer, with a discount of not more than ten percent (10%) or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or
- (ii) the par value of the Bioalpha Shares,

and subject to adjustments in accordance with the By-laws and pursuant to the Listing Requirements, where applicable.

#### **2.2.5 Ranking of the SIS Shares**

The SIS Shares shall, upon allotment, issuance and full payment, rank *pari passu* in all respects with the then existing Bioalpha Shares, save and except that the SIS Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the SIS Shares.

#### **2.2.6 Duration of the Proposed SIS**

The Proposed SIS shall come into force on the Effective Date.

The Proposed SIS shall be in force for a period of five (5) years commencing from the Effective Date, subject however to any extension for a further period of up to five (5) years at the sole and absolute discretion of our Board upon the recommendation of the SIS Committee, subject always that the duration of the Proposed SIS shall not in aggregate exceed ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities, from the Effective Date.

#### **2.2.7 Rights of a Grantee**

The SIS Options shall not carry any right to vote at any general meeting of our Company. The Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his unexercised SIS Options.

#### **2.2.8 Restriction on dealing / retention period**

The new Bioalpha Shares to be issued to the Grantee pursuant to the Proposed SIS will not be subjected to any retention period or restriction on transfer.

Notwithstanding this, an eligible Director who is a non-executive Director in Bioalpha and its subsidiaries (excluding dormant subsidiaries and non-malaysian subsidiaries) shall not sell, transfer or assign the SIS Shares obtained through the exercise of SIS Options offered to him within one (1) year from the Date of Offer.

### 2.2.9 Alteration of share capital during the duration of the Proposed SIS

In the event of any alteration in the issued and paid-up capital structure of the Company during the duration of the Proposed SIS, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction of capital or any other variation of capital, the Company shall cause such adjustment to be made to:

- (i) the number of Shares which a Grantee shall be entitled to subscribe for upon the exercise of each SIS Option; and/or
- (ii) the Exercise Price.

Save for any alteration in the capital structure of the Company during the duration of the Proposed SIS arising from bonus issues, all adjustments shall be made at the discretion of the SIS Committee and confirmed in writing by the external auditors or other relevant parties.

The Company shall ensure that any adjustments made must be in compliance with the provisions for adjustment as provided in the By-laws.

### 2.2.10 Amendment and/or modification to the Proposed SIS

The SIS Committee may at any time and from time to time recommend to the Board any amendment to or modification of the By-laws as it shall in its absolute discretion think fit, and the Board shall have the power by resolution to amend or delete all or any of the By-laws upon such recommendation PROVIDED ALWAYS THAT no such amendment or modification shall be made which would either:

- (i) materially prejudice the rights then accrued to any Grantees without his/her prior consent; or
- (ii) alter to the advantage of any Grantee without the prior approval of our shareholders in a general meeting, the provisions set out in the By-laws.

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 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 the Rules of Bursa Depository.

## 2.3 Details of the Proposed Increase in Authorised Share Capital

Our Company is proposing to increase its authorised share capital from RM25,000,000 comprising 500,000,000 Bioalpha Shares as at the LPD, to RM100,000,000 comprising 2,000,000,000 Bioalpha Shares, by the creation of an additional 1,500,000,000 new Bioalpha Shares.

## 2.4 Details of the Proposed MOA Amendment

The Proposed MOA Amendment is as follows:

Existing	Proposed MOA Amendment
<b><u>Clause 6 of the Memorandum of Association</u></b>	<b><u>New Clause 6 of the Memorandum of Association</u></b>
The capital of the company is <b>RM25,000,000.00</b> divided into <b>500,000,000</b> ordinary shares of <b>RM0.05</b> each.	The capital of the company is <b>RM100,000,000.00</b> divided into <b>2,000,000,000</b> ordinary shares of <b>RM0.05</b> each.

### 3. UTILISATION OF PROCEEDS

Our Group intends to utilise ninety five percent (95%) of the proceeds arising from the exercise of the SIS Options as general working capital and the remaining five percent (5%) of the proceeds for the repayment of any bank borrowings for our Group, as and when the proceeds are received throughout the duration of the Proposed SIS, with such utilisation to be revised as our Board may decide. The amount of such proceeds and the annual interest saving in connection with any repayment of bank borrowings cannot be determined at this juncture as these will depend on the number of SIS Options granted and exercised at the relevant points of time and the Exercise Price payable upon the exercise of the SIS Options, among other factors.

The estimated expenses for the Proposals are approximately RM200,000.

### 4. RATIONALE FOR THE PROPOSALS

#### 4.1 Proposed Bonus Issue

The Proposed Bonus Issue is intended to:

- (i) increase the number of Bioalpha Shares held by our Company's shareholders, whilst retaining their percentage of equity interest; and
- (ii) enhance the marketability and trading liquidity of our Company's shares on Bursa Malaysia.

#### 4.2 Proposed SIS

The Proposed SIS is intended to:

- (i) recognise and reward the Eligible Persons' contributions to our Group;
- (ii) reinforce the Eligible Persons' sense of loyalty through their participation in the equity ownership of our Company and thereby provide incentive for them to contribute more actively to our Group;
- (iii) retain and attract high calibre Eligible Persons, to preserve and grow the pool of key personnel;
- (iv) drive long-term shareholder value enhancement by aligning the interests of Eligible Persons and the shareholders; and
- (v) serve as an alternative form of employee remuneration which does not result in cash outflow for our Group but instead allow for fund-raising upon exercise of the SIS Options.

The Proposed SIS is also extended to the eligible non-executive Directors of our Company and its non-dormant subsidiaries. The Proposed SIS serves to recognise their contributions relating to their oversight responsibilities as independent members to the respective Board and/or Board committees, which are considered vital to the governance of our Group.

#### 4.3 Proposed Increase in Authorised Share Capital

The Proposed Increase in Authorised Share Capital is to facilitate the issuance of new Bioalpha Shares pursuant to the Proposed Bonus Issue and Proposed SIS as well as any further issuance of new Bioalpha Shares in the future.

#### 4.4 Proposed MOA Amendment

The Proposed MOA Amendment is to facilitate the Proposed Increase in Authorised Share Capital.

## 5. EFFECTS OF THE PROPOSALS

The Proposed Increase in Authorised Share Capital and Proposed MOA Amendment will not have any effect on the issued and paid-up share capital of our Company, EPS, the NA attributable to ordinary equity holders of our Company and gearing of our Group as well as the substantial shareholders' shareholdings in our Company.

### 5.1 Issued and paid-up share capital

The pro-forma effects of the Proposed Bonus Issue and Proposed SIS on the issued and paid-up share capital of our Company are as follows:

	<b>No. of Bioalpha Shares</b>	<b>RM</b>
Issued and paid-up share capital as at LPD	500,000,000	25,000,000
To be issued pursuant to the Proposed Bonus Issue	166,666,666	8,333,333
After the Proposed Bonus Issue	666,666,666	33,333,333
To be issued pursuant to full exercise of the SIS Options	199,999,900*	9,999,995
<b>Enlarged issued and paid-up share capital</b>	<b>866,666,566</b>	<b>43,333,328</b>

*Note:*

\* *Rounded down to nearest hundred Shares.*

The Proposed SIS will not have any effect on the existing issued and paid-up share capital of our Company until such time when the SIS Options are exercised into SIS Shares.

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## 5.2

### NA and gearing

Based on the audited consolidated financial statements of our Company as at 31 December 2015, and on the assumption that the Proposals had been effected as at the date, the pro-forma effects of the Proposed Bonus Issue on the consolidated NA and gearing of our Company are as follows:

	(Audited) As at 31 December 2015 (RM)	Subsequent events		
		After acquisition <sup>(1)</sup> (RM)	After (I) and private placement <sup>(2)</sup> (RM)	(III) After (II) and Proposed Bonus Issue (RM)
Share capital	23,170,656	24,114,052	25,000,000	33,333,333
Share premium	24,361,905	28,288,510 <sup>(3)</sup>	33,099,819 <sup>(4)</sup>	24,566,486 <sup>(5)</sup>
Merger deficits	(4,969,130)	(4,969,130)	(4,969,130)	(4,969,130)
Retained earnings	36,439,983	36,439,983	36,439,983	36,439,983
Shareholders' funds / NA	<b>79,003,414</b>	<b>83,873,415</b>	<b>89,570,672</b>	<b>89,370,672</b>
No. of Bioalpha Shares NA per Bioalpha Share (RM)	463,413,114 0.17	482,281,038 0.17	500,000,000 0.18	666,666,666 0.13
Total borrowings Gearing (times)	1,932,085 0.02	1,932,085 0.02	1,932,085 0.02	1,932,085 0.02

Notes:

- (1) Acquisition of Mediconstant Holding Sdn Bhd which was completed on 21 January 2016.
- (2) Private placement of Bioalpha Shares which was completed on 12 February 2016.
- (3) After deducting RM130,000 for expenses relating to the acquisition of Mediconstant Holding Sdn Bhd.
- (4) After deducting RM150,000 for expenses relating to the private placement.
- (5) After deducting RM200,000 for expenses relating to the Proposals.

The Proposed SIS will not have any effect on our Group's NA per Share unless and until such time when the SIS Options are exercised. Our Group's NA per Share will increase if the Exercise Price of the SIS Options exceeds Our Group's NA per Share when the SIS Options are exercised, and conversely will decrease if the Exercise Price is below our Group's NA per Share when the SIS Options are exercised.

Whilst the granting of the SIS Options is expected to result in the recognition of a charge in our Group's statement of comprehensive income pursuant to the MFRS-2, the recognition of such a charge will have no effect on our Group's NA as a corresponding amount will be classified as an equity compensation reserve which forms part of our Group's shareholders' equity. If none of the granted SIS Options are exercised within the duration of the Proposed SIS, the amount outstanding in the equity compensation reserve would be transferred to our Company's retained earnings. If the granted SIS Options are exercised, the amount outstanding in the equity compensation reserve would be transferred to our Company's share premium account.

The Proposed SIS is not expected to have any effect on our Group's gearing level unless and until such time when the SIS Options are exercised and the proceeds are used to repay the bank borrowings of our Group. Such effects cannot be quantified at this juncture.

### **5.3 Earnings and EPS**

The Proposed Bonus Issue is not expected to have any material effect on the earnings of our Group for the financial year ending 31 December 2016. However, there will be a corresponding dilution in our Company's consolidated EPS as a result of the increase in the number of issued Shares pursuant to the issuance of the Bonus Shares.

The Proposed SIS is not expected to have any material effect on the earnings of our Group for the financial year ending 31 December 2016, save for the possible impact pursuant to MFRS-2. Under MFRS-2, the potential cost arising from the granting of the SIS Options will be measured at fair value on the date of the granting of the SIS Options and be recognised as an expense over the vesting period. This may therefore affect our Group's future earnings, with the quantum of such impact only determinable at the respective grant dates. However, the estimated cost does not represent a cash outflow for our Company as it is merely an accounting treatment.

Our Board will consider the potential impact of MFRS-2 and any other applicable accounting standards on our Group's future earnings before allocating and granting the SIS Options to the Eligible Persons.

The future earnings and EPS of our Group would also depend on the number of SIS Options exercised as well as the result of the utilisation of the proceeds raised therefrom.

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#### 5.4 Substantial shareholders' shareholding

The pro forma effects of the Proposed Bonus Issue and Proposed SIS on the substantial shareholders' shareholdings in our Company based on the record of depositors as at the LPD are set out below:

	At as LPD				After the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Hon Tian Kok @ William Malaysian Technology Development Corporation Sdn Bhd Perbadanan Nasional Berhad	85,088,206	17.02	-	-	113,450,941	17.02	-	-
	80,402,920	16.08	-	-	107,203,893	16.08	-	-
	51,566,629	10.31	-	-	68,755,505	10.31	-	-

	After the Proposed SIS			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Hon Tian Kok @ William* Malaysian Technology Development Corporation Sdn Bhd Perbadanan Nasional Berhad	113,450,941	13.09	-	-
	107,203,893	12.37	-	-
	68,755,505	7.93	-	-

*Note:*

\* Assuming no provision has been made for the allotment of SIS Options to Hon Tian Kok @ William (a major shareholder and the Managing Director/ Chief Executive Officer of our Company) as the SIS Committee has yet to decide on the quantum of the SIS Options to be allocated to the Directors of our Company.

#### 5.5 Convertible securities

As at the LPD, our Company does not have any outstanding convertible securities.

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## 6. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of our Shares traded on Bursa Securities for the last twelve (12) months are as follows:

	Highest (RM)	Lowest (RM)
<b>2015</b>		
July	0.330	0.285
August	0.305	0.225
September	0.300	0.245
October	0.320	0.270
November	0.340	0.300
December	0.325	0.285
<b>2016</b>		
January	0.360	0.300
February	0.350	0.320
March	0.450	0.330
April	0.420	0.345
May	0.405	0.345
June	0.390	0.360

The last transacted market price of our Shares immediately prior to the announcement of the Proposals on 26 May 2016 was RM0.380. The last transacted market price of our Shares on the LPD, was RM0.400.

(Source: Bloomberg Finance L.P.)

## 7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the Bonus Shares and SIS Shares on the ACE Market of Bursa Securities:

The approval by Bursa Securities for the Proposed Bonus Issue is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;	To be complied
(b)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue;	To be complied
(c)	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed;	To be complied
(d)	The Bonus Shares issued to the Promoters (as defined in Bioalpha's Prospectus dated 26 March 2015) are subject to the same moratorium as imposed by Bursa Securities pursuant to the Initial Public Offering of our Company.	To be complied

	Conditions imposed	Status of compliance
	The following information on the Bonus Shares that are subject to the moratorium are to be submitted to Bursa Malaysia Depository Sdn Bhd upon the announcement of the Book Closure Date for the Proposed Bonus Issue:  (i) the names of the shareholders; (ii) the number of Bonus Shares, and (iii) the date of expiry of the moratorium.	To be complied
(e)	Our Company and TA Securities are required to make the relevant announcements pursuant to Rule 6.36(2)(a) & (b) and 6.35(4) of the Listing Requirements; and	To be complied
(f)	Our Company is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders approving the Proposed Bonus Issue prior to the quotation of the Bonus Shares.	To be complied

The approval by Bursa Securities for the Proposed SIS is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	TA Securities is required to submit a confirmation to Bursa Securities of full compliance of the SIS pursuant to Rule 6.44 of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting; and	To be complied
(b)	Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of SIS Shares listed as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) our shareholders at an EGM to be convened for the Proposals; and
- (iii) any other relevant authorities, if required.

## 8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Our Board confirms that there are no outstanding corporate proposals which we have announced but pending completion as at the LPD, other than the Proposals.

## 9. INTER-CONDITIONALITY OF THE PROPOSALS

The Proposed Bonus Issue and the Proposed SIS are not inter-conditional.

The Proposed Increase in Authorised Share Capital and Proposed MOA Amendment are inter-conditional.

The Proposed Bonus Issue and the Proposed SIS are both conditional upon both the Proposed Increase in Authorised Share Capital and Proposed MOA Amendment but not vice versa.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

# **10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of our Company's Directors, major shareholders and/or persons connected with them has any interest, either direct or indirect, in the Proposals save for their respective entitlements as shareholders of our Company under the Proposed Bonus Issue, the rights of which are also available to all other Entitled Shareholders of our Company on the Entitlement Date.

All Directors of our Company are entitled to participate as Eligible Persons in the Proposed SIS and are therefore deemed interested in the Proposed SIS insofar as it relates to their respective allocations under the Proposed SIS.

The Directors of our Company have therefore deliberated and voted on the Proposed SIS as a whole at the relevant Board meeting and recommended to put forth the resolutions pertaining to the Proposed SIS to be tabled at an EGM to be convened. The respective Directors (and other Directors connected with them, if any) have abstained and will continue to abstain from all deliberations and voting at the relevant Board meeting on the specific allocations of the respective SIS Options to themselves as well as to persons connected with them (if any).

The Directors will also abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolutions pertaining to the specific allocations of the respective SIS Options to them and/or persons connected with them (if any). Further, the Directors have also undertaken that they shall ensure that persons connected with them will abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolutions pertaining to the specific allocation of the SIS Options to themselves and the Directors connected to them, to be tabled at an EGM to be convened.

The direct and indirect shareholdings of our Directors based on the Record of Depositors as at the LPD are set out below:

Directors	Direct		Indirect	
	No. of Bioalpha Shares	%	No. of Bioalpha Shares	%
Tan Sri Abd Rahman Bin Mamat	-	-	-	-
Hon Tian Kok @ William	85,088,206	17.02	-	-
Dato' Sri Hj. Syed Zainal Abidin B Syed Mohammad Tahir	1,620,769	0.32	-	-
Ho Tze Hiung	100,000	0.02	-	-
Dato' Norhalim Bin Yunus	-	-	-	-
Dato' Rosely Bin Samsuri	-	-	-	-
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim	-	-	-	-
Dr. Nik Ismail Bin Nik Daud	-	-	-	-
Mohd Nasir Bin Abdullah	-	-	-	-

Save as disclosed above, none of the Directors and major shareholders as well as persons connected with them have any interest, direct and/or indirect, in the Proposed SIS.

## **11. DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board is of the opinion that the Proposals is in the best interests of our Company, after having considered the rationale for the Proposals and its effects, as set out in Sections 4 and 5 of this Circular respectively. Our Board therefore recommends that you vote **in favour** of the resolution pertaining to the Proposals to be tabled at our forthcoming EGM.

The Directors (namely Hon Tian Kok @ William, Dato' Sri Hj. Syed Zainal Abidin B Syed Mohammad Tahir, Dato' Norhalim Bin Yunus, Dato' Rosely Bin Samsuri, Dr. Nik Ismail Bin Nik Daud, Ho Tze Hiung, Mohd Nasir Bin Abdullah, Tan Sri Abd Rahman Bin Mamat and Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim) have abstained from giving any opinion or recommendation on their respective allocations of SIS Options or the allocations of SIS Options to persons connected with them, if any. For resolutions not related to their respective allocations or those of persons connected with them, the Directors recommend that you vote **in favour** of such resolutions.

## **12. ESTIMATED TIME FRAME FOR COMPLETION**

Our Board expects the Proposals to be implemented in the second (2<sup>nd</sup>) half of 2016, barring any unforeseen circumstances and subject to obtaining all relevant approvals.

<b>Tentative date</b>	<b>Events</b>
19 August 2016	EGM
End August 2016	Announcement of the Entitlement Date
Early September 2016	Entitlement Date
Mid September 2016	Listing of the Bonus Shares

## **13. EGM**

Our EGM will be held at Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor, Malaysia on Friday, 19 August 2016, at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolutions, to give effect to the Proposals. The Notice of EGM is enclosed with this Circular.

If you are unable to attend and vote in person at our EGM, you may complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of our Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for convening our EGM or any adjournment thereof.

Even if you have already lodged your Form of Proxy, you may still attend and vote in person at our EGM if you subsequently wish to do so.

## **14. FURTHER INFORMATION**

Please refer to the attached Appendices for further information.

Yours faithfully,  
For and on behalf of our Board  
**BIOALPHA HOLDINGS BERHAD**

**HON TIAN KOK @ WILLIAM**  
Managing Director/ Chief Executive Officer

## DRAFT BY-LAWS

**BIOALPHA HOLDINGS BERHAD**  
**(Company No. 949536-X)**
**BY-LAWS OF THE PROPOSED ESTABLISHMENT OF A SHARE ISSUANCE SCHEME**  
**(“PROPOSED SIS”)**
**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, 1965, 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 Principal Adviser Guidelines issued by Securities Commission Malaysia.
<b>“Articles”</b>	:	Articles of association of the Company, as amended from time to time.
<b>“Auditor”</b>	:	An approved company auditor as defined in Section 8 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 (165570-W).
<b>“Bursa Securities”</b>	:	Bursa Malaysia Securities Berhad (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 “Bioalpha”</b>	:	Bioalpha Holdings Berhad (949536-X)
<b>“Date of Allocation”</b>	:	A date to be determined by the Option Committee to be the date on which a Selected Person is deemed eligible to participate in the Scheme.
<b>“Date of Expiry”</b>	:	The last day of an Option Period.

## DRAFT BY-LAWS (cont'd)

<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 Option 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, misbehaviour, 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 of Bioalpha Group 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 of the Bioalpha Group.
<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>“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 any company within the Group.
<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>“Grantee”</b>	:	A Selected Person who has accepted the Offer in accordance with the provisions of By-Law 6.
<b>“Group” or “Bioalpha Group”</b>	:	The Company and its subsidiaries incorporated in Malaysia as defined in Section 5 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>	:	ACE Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time.

## DRAFT BY-LAWS (cont'd)

<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>“Non-Executive Director”</b>	:	A natural person who is a director of the Group holding a non-executive capacity who does not engage in the day-to-day management of the Group.
<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 Option 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 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>“Option Period”</b>	:	The period during which an SIS Option may be exercised as may be specified in the Offer.
<b>“Person Connected”</b>	:	Has the same meaning as that assigned to “Person Connected” in Rule 1.01 of the Listing Requirements.
<b>“Principal Adviser”</b>	:	Has the same meaning as that assigned in the SC's Principal Adviser Guidelines.
<b>“Rules of Bursa Depository”</b>	:	The rules of Bursa Depository, as issued pursuant to the Central Depositories Act.
<b>“Scheme”</b>	:	Share Issuance Scheme established by the By-Laws hereto for the grant of SIS 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.
<b>“Share(s)”</b>	:	Ordinary share(s) in the Company
<b>“SIS 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 SIS Option as shall remain unexercised.

## 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);

**DRAFT BY-LAWS (cont'd)**

- (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 SIS 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 Option Committee may be exercised at the Option Committee's discretion and the Option 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 to be allotted and/or issued pursuant to the exercise of the SIS Options that may be granted under the Scheme shall not exceed in aggregate thirty percent (30%) of the prevailing issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point in time when an Offer is made throughout the Duration of the Scheme. The Company will for the Duration of the Scheme make available sufficient number of new Shares in the unissued share capital of the Company to satisfy all subsisting SIS Options which may be exercisable from time to time.
- 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 SIS Options granted under the Scheme exceeds the aggregate of thirty percent (30%) of the prevailing issued and paid-up share capital 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 67A of the Act or any other corporate proposal and thereby diminishing its issued and paid-up share capital, then such SIS Options granted prior to the adjustment of the issued and paid-up share capital 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 SIS Options including Shares that have been issued under the Scheme falls below thirty percent (30%) of the Company's issued and paid-up share capital (excluding treasury shares, if any).

**3. ELIGIBILITY**

- 3.1 Any Employee or Director of the Bioalpha Group shall be eligible to participate in the Scheme and qualify for selection by the Option Committee, if, as at the Date of Allocation (where applicable):-
  - (a) such Employee or Director has attained the age of eighteen (18) years;



**DRAFT BY-LAWS (cont'd)**

- (b) such Employee has been employed on a full time basis and is on the payroll of any corporation within the Bioalpha Group and his employment has been confirmed;
- (c) such Director has been appointed as a Director of Bioalpha or any company in the Bioalpha Group, which is not dormant; and
- (d) such Employee or Director has fulfilled any other eligibility criteria and/or falls within such grade/category as may be determined by the Option Committee at its sole discretion from time to time,

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 Option Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in this By-Law 3.1, for purposes of selecting an Eligible Person at any time and from time to time, in the Option Committee's discretion.

- 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.
- 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 Option 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 Option 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 Option Committee shall have the sole and absolute discretion not to make further Offers regardless of the amount of the SIS 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 SIS Options to be offered to an Eligible Person in accordance with the Scheme shall be determined at the sole and absolute discretion of the Option Committee after taking into consideration, amongst other factors, the Selected Person's position, ranking, seniority, the number of years in service, job performance and such factors that the Option Committee may deem relevant in its discretion, subject to the following:
  - (a) that the number of SIS Options made available under the Scheme shall not exceed the amount stipulated in By-Law 2.1; and
  - (b) the allocation to any individual Selected Person who, either singly or collectively through Persons Connected with him, holds twenty per cent (20%) or more in the issued and paid-up share capital of the Company (excluding treasury

**DRAFT BY-LAWS (cont'd)**

shares, if any) does not exceed ten percent (10%) of the Shares available under the Scheme at any point in time when an Offer is made ("**Maximum Allowable Allotment**");

- (c) at any point in time when an Offer is made, not more than eighty percent (80%) of the SIS Options available under the Scheme shall be allocated, in aggregate, to the Directors and senior management of the Group, and
- (d) the Directors and senior management of the Group do not participate in the voting, deliberation or discussion of their own allocations of SIS 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 Option 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 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 Option Committee shall be entitled at its discretion to determine the applicable category.
- 4.4 In the event that a Selected Person is promoted, the Maximum Allowable Allotment corresponding to the category of Employee which such Selected Person falls within as at the Date of Allocation, subject always to the maximum number of Shares available under the Scheme as stipulated under By-Law 2.1.
- 4.5 The Option Committee shall also have the discretion to determine, amongst others:
  - (i) whether the SIS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to achieving a performance target; and
  - (ii) such other terms and conditions it shall deem fit and appropriate to be imposed for participation in the Scheme.

Subject to these By-Laws, there are no performance targets to be achieved by the Eligible Persons or vesting period for the SIS Options, unless otherwise stated in the Offer as determined by the Option Committee from time to time.

## **5. OFFER**

- 5.1 Subject to and in accordance with the provisions of these By-Laws, the Option Committee may at its discretion at any time from the Effective Date offer SIS Options to a Selected Person after taking into consideration such criteria as the Option Committee deems fit, including but not limited to the Selected Person's position, contribution, job performance, duration of service and potential for future development.
- 5.2 The actual number of new Shares which may be offered to a Selected Person shall be at the discretion of the Option Committee but shall not be more than the Maximum Allowable Allotment as set out in By-Law 4.
- 5.3 The Option 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

**DRAFT BY-LAWS (cont'd)**

- Option Price determined in accordance with the provisions of By-Law 7, the closing date for acceptance of the Offer and the manner and conditions of exercise of the SIS Options. 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 hereof.
- 5.4 Nothing herein shall prevent the Option Committee from making more than one Offer during the Duration of the Scheme to a Selected Person provided always that the total aggregate number of SIS Options offered to any Selected Person including SIS Options which have been exercised, if any, shall not exceed the Maximum Allowable Allotment. Each Offer made to any Selected Person by the Option Committee shall be separate and independent from any previous or later Offer made by the Option Committee to that Selected Person.
- 5.5 The Company shall keep and maintain at its expense a register of Grantees as required under section 68A of the Act.
- 5.6 The Company shall, on the date of the Offer, announce the following to Bursa Securities upon the SIS Options offered under the Scheme:
- (a) Date of Offer;
  - (b) exercise price of SIS Options offered;
  - (c) number of SIS Options offered;
  - (d) market price of its securities on the date of the Offer;
  - (e) number of SIS Options offered to each Director, if any; and
  - (f) vesting period of the SIS Options offered, if any.
- 5.7 An Offer shall be made in writing and in any manner as the Option Committee shall determine and may be made upon such terms and conditions as the Option 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 SIS Options which may be offered to an Eligible Person shall be at the sole and absolute discretion of the Option 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).

**6. ACCEPTANCE OF OFFER**

- 6.1 An Offer made by the Option Committee under By-Law 5 shall be valid for a period of thirty (30) days from the Date of Offer or such longer period as may be determined by the Option 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 Option Committee) to the Option 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 SIS 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 longer period as may be determined by the Option 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

**DRAFT BY-LAWS (cont'd)**

new Shares comprised in the SIS Options may at the discretion of the Option Committee be re-offered to Eligible Persons.

- 6.3 The Option Committee shall within thirty (30) days of acceptance by the Offer by the Eligible Person issue to the Grantee a certificate of the SIS Option in such form as may be determined by the Option Committee from time to time stating, amongst other matters, the number of Shares granted under the SIS 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 higher of:
- (a) 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; or
  - (b) the par value of the Shares, if applicable.
- 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 SIS Option is personal to the Grantee. Save and except as provided in By-Law 18.4, an SIS Option cannot be assigned, encumbered, transferred or otherwise disposed of in any manner whatsoever.

**9. EXERCISE OF SIS OPTION**

- 9.1 An SIS Option granted to a Grantee under the Scheme, subject to the provisions of By-Law 18, is exercisable by that Grantee during his lifetime within the Option Period. All unexercised SIS 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 SIS Options at such time and in such manner and subject to such conditions as stipulated in the Offer Letter.
- 9.3 The Option Committee may, at any time and from time to time, before or after an SIS Option is granted, limit the exercise of the SIS Options to a maximum number of new Shares and/or such percentage of the total new Shares comprised in the SIS Options during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the Option 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 SIS Option in such form and manner as the Option Committee may prescribe or approve ("**Notice of Exercise**"). The Grantee shall, simultaneously with his exercise of the SIS Option (or within such period as the Option 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 SIS 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 SIS Option shall not preclude the Grantee from exercising the SIS

**DRAFT BY-LAWS (cont'd)**

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 provisions of the Articles, 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 Option 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 SIS Options.
- 9.7 Notwithstanding anything to the contrary herein contained in these By-Laws, the Option 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 SIS Option. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its discretion, on the right of exercise of his SIS 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 SIS 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 SIS Option pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its discretion, on the right of exercise of his SIS Option having regard to the nature of the charges made or brought against such Grantee, provided always that:-
    - (i) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the Option Committee shall reinstate the right of such Grantee to exercise his SIS Option; or
    - (ii) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the SIS 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 Option Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his SIS 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 Option Committee (but the Option Committee shall not be obliged to do so) from making a fresh Offer to such Selected Person in the

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**DRAFT BY-LAWS (cont'd)**

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event that such disciplinary actions are not found against him or if such disciplinary actions are withdrawn.

- 9.8 Each SIS Option shall be subject to the condition that no new Shares shall be issued to the Grantee pursuant to the exercise of the SIS 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 SIS 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 SIS 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 SIS Options will upon such allotment and issuance, rank *pari passu* in all respects with the then existing issued and fully paid-up 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 precedes 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 SIS 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 Articles of the Company in relation to their issuance and allotment, transfer, transmission or otherwise.

**12. RETENTION PERIOD**

- 12.1 The new Shares to be allotted and issued to a Grantee pursuant to the exercise of an SIS Option under the Scheme will not be subject to any retention period or restriction on transfer. 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 A Non-Executive director of the Company must not sell, transfer or assign the Shares obtained through the exercise of the SIS Options offered to him pursuant to the Scheme within one (1) year from the Date of Offer of such SIS Options.

**DRAFT BY-LAWS (cont'd)****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 issued share capital 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 Option Committee may at its discretion to the extent permitted by law allow the exercise of any unexercised SIS Options (or any part thereof) by the Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that:-

- (aa) the date on which the Grantee becomes entitled to exercise the SIS Options or any part thereof is not due or has not occurred; and/or
- (bb) the Option Period has not commenced; and/or
- (cc) 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 SIS Option (excluding SIS Options already exercised); and/or
- (b) the Option Price,

shall be adjusted, provided always that:-

- (i) no adjustment to the Option Price shall be made which would result in the new Shares to be issued on the exercise of the SIS Option being issued at a discount to the par value, and if such adjustments would but for this provision have so resulted, the Option Price payable shall be the par value of the new Shares, and such adjustment shall not apply in the event no par value regime is adopted by any re-enactment of the Act;
- (ii) 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 SIS Options that a Grantee is already entitled to;
- (iii) upon any adjustment being made pursuant to these By-Laws, the Option 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 SIS Option;

**DRAFT BY-LAWS (cont'd)**

- (iv) 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 Option Committee at its sole and absolute discretion; and
- (v) 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 approved external 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. For the purposes of these By-Laws, an approved external auditor shall have the meaning given in Section 8 of the Act.

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

Any adjustments to the Option Price and/or the number of new Shares comprised in the SIS Options so far as unexercised other than bonus issue, must be confirmed in writing by the external auditors of the Company or the Company's Adviser (acting as experts not as arbitrators), upon reference to them by the Option 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 SIS 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 wherever a Share by reason of any consolidation or subdivision or conversion shall have a different par value, the Option Price shall be adjusted by multiplying it by the revised par value and dividing the result by the former par value and the number of SIS Options shall be adjusted by multiplying the existing number of SIS Options held by the former par value and dividing the result by the revised par value. Each such adjustment will be effective from the close of business on the Market Day immediately next preceding the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on Bursa Securities at the new par value) or such other date as may be prescribed by Bursa Securities and such adjustment shall not apply in the event no par value regime is adopted by any re-enactment of the Act.
- (ii) If and whenever the Company shall make any issue of Shares to shareholders credited as fully paid, by way of bonus issue or capitalization of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Option Price shall be adjusted by multiplying it by the following fraction:-

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



**DRAFT BY-LAWS (cont'd)**

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

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

where:-

- A = the aggregate number of issued and fully paid-up Shares 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 (whether of a capital or income nature and including any share premium account and capital redemption reserve fund).

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

- (iii) 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 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 or, as the case may be, of the offer or invitation;

**DRAFT BY-LAWS (cont'd)**

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 these By-Law 14.2(iii)(b) and By-Law 14.2 (iii)(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 this By-Law 14.2 (iii) hereof, the fair market value as determined by the Company in consultation with the external auditors of the Company and/or the Adviser, of that portion of the Capital Distribution attributable to one (1) Share.

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 this By-Law 14.2 (ii)(b) hereof, the number of SIS Options shall be adjusted by multiplying the existing number of SIS Options held by the following fraction:

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

where:

C = as C above (By-Law 14.2 (iii)); 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:-

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

**DRAFT BY-LAWS (cont'd)**

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.

For the purposes of By-Law 14.1 of the Scheme and By-Law 14.2 (ii) hereof, "**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 failing under By-Law 14.2 (ii) hereof) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature including any share premium account or capital redemption reserve fund).

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.

- (iv) If and whenever the Company makes any allotment to its ordinary shareholders as provided in this By-Law 14.2 (ii) above and also makes any offer or invitation to its ordinary shareholders as provided in these By-Law 14.2 (iii)(b) or By-Law 14.2 (iii)(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 these By-Law 14.2 (i) and By-Law 14.2 (iii)(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 SIS Options held by each Grantee shall be adjusted by multiplying the existing number of SIS 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 (ii));

C = as C above (By-Law 14.2 (iii));

**DRAFT BY-LAWS (cont'd)**

- G = the aggregate number of issued and fully paid-up Shares in issue 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;
- 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.

- (v) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in this By-Law 14.2 (iii)(b) above 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 this By-Law 14.2 (iii)(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 SIS Options held by each Grantee shall be adjusted by multiplying the existing number of SIS 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 (iii));

G = as G above (By-Law 14.2 (iv));

H = as H above (By-Law 14.2 (iv));

H\* = as H\* above (By-Law 14.2 (iv));

I = as I above (By-Law 14.2 (iv));

## DRAFT BY-LAWS (cont'd)

$I^*$  = as  $I^*$  above (By-Law 14.2 (iv));

$J$  = 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.

- v) If and whenever the Company makes an allotment to its shareholders as provided in By-Law 14.2(ii) above and also makes an offer or invitation to acquire or subscribe for Share to its shareholders as provided in By-Law 14.2 (iii)(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(iii)(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 SIS Options held by each Grantee shall be adjusted by multiplying the existing number of SIS 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 (ii));

$C$  = as  $C$  above (By-Law 14.2 (iii));

$G$  = as  $G$  above (By-Law 14.2 (iv));

$H$  = as  $H$  above (By-Law 14.2 (iv));

$H^*$  = as  $H^*$  above (By-Law 14.2 (iv));

$I$  = as  $I$  above (By-Law 14.2 (iv));

$I^*$  = as  $I^*$  above (By-Law 14.2 (iv));

$J$  = as  $J$  above (By-Law 14.2 (v));

$K$  = 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.

**DRAFT BY-LAWS (cont'd)**

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.

- 14.3 The provisions of this 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 SIS 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 of the Company or any of its subsidiaries pursuant to purchase or option schemes approved by the Shareholders in general meeting; or
  - (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.
- 14.4 Upon any adjustment being made, the Option 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.
- 14.5 The decision of the Option 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 SIS Option or any portion thereof pursuant to this By-Law 14 is final, binding and conclusive.

**DRAFT BY-LAWS (cont'd)****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 SIS 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 after the receipt of the Notice of Exercise and remittance from the Grantee.

15.2 The Company and the Option 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 Option Committee shall implement and administer the Scheme in such manner as it shall in its discretion deem fit. The Option 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 SIS 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 Option Committee in its discretion deems fit, necessary and/or expedient for the implementation and administration of the Scheme. The Option 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 SIS 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.

16.2 The Board shall have power from time to time to:-

- (a) rescind the appointment of any person in the Option 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 Option Committee pursuant to these By-Laws; and
- (c) amend, modify or vary the terms of reference of the Option Committee.

**DRAFT BY-LAWS (cont'd)**

- 16.3 The decision as to whether or not to stagger the allocation of the SIS Options over the duration of the Scheme will be determined by the Option Committee at a later date.

**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 Option 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 the 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 the Rule 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 SIS 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 serving of a notice of resignation by the Grantees, prior to the exercise of his SIS Options or prior to full exercise of his SIS Options, as the case may be, such SIS Option shall cease immediately and become null and void on the date of such cessation or termination without any claim against the Company provided always that, subject to the approval of the Option Committee in its discretion, where the Grantee ceases his employment or appointment with the Group by reason of:-
- (a) retirement before attaining the normal retirement age and with the consent of its employer, being a company within the Group; or
  - (b) subjected to Disciplinary Proceedings pursuant to By-Law 9.7(b)
  - (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



**DRAFT BY-LAWS (cont'd)**

- (e) transfer of employees to any company outside the Group at the direction of the Company; and/or
- (f) any other reasons which are acceptable to the Option Committee,

a Grantee may exercise his unexercised SIS Options for such period as may be determined by the Option 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 SIS Options that may be exercisable within each year of the Scheme (unless otherwise approved by the Option Committee). All unexercised or partially exercised SIS 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 SIS Options shall cease with immediate effect and become null and void on the effective date of such cessation. For the avoidance of any doubt, the date of acceptance of a Grantee's resignation by the Group, shall be deemed to be the effective date when a Grantee ceases his employment or appointment with the Group.
- 18.3 An SIS 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 SIS Options, such unexercised SIS 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 Option Committee. The proportion exercisable is at the discretion of the Option Committee.
- 18.5 Upon termination of the SIS 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 SIS Options or his SIS Options ceasing to be valid.
- 18.6 Any SIS Option that has lapsed and become null and void pursuant to this By-Law 18 shall at the discretion of the Option Committee be re-allocated to other Eligible Person.

**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 SIS 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.

**DRAFT BY-LAWS (cont'd)****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, unless approved by the Option Committee in writing, the SIS Option(s) unexercised on the date of such company ceasing to be a subsidiary, shall be null and void and be of no effect. Such Grantee shall not be eligible to participate for further SIS 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 6 of the Act) of the Company which have an existing share issuance scheme in which the Grantee will be entitled to participate, unless approved by the Option Committee in writing, the SIS 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 6 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.

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 5 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 the By-laws shall apply.

**21. DURATION OF THE SCHEME**

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:-

- (i) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Rule 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (ii) 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 SIS Options granted under the Scheme from Bursa Securities;
- (iii) procurement of shareholders' approval for the Scheme;
- (iv) receipt of approval of any other relevant authorities, where applicable; and

## DRAFT BY-LAWS (cont'd)

- (v) fulfilment of all conditions attached to the above approvals, if any.

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 Option Committee provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this 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 Option 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 SIS Options exercised or Shares vested under the Scheme; and
- (c) reasons for termination of the Scheme,

whereupon no further Offers shall be made by the Option 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 SIS Options shall be deemed to cease to be capable of being exercised and be null and void on the Termination Date.

- 22.2 Notwithstanding the above, the Company may terminate the Scheme at any time provided the following approvals/consents are obtained:

- (a) the approval of its shareholders by ordinary resolution at a general meeting; and
- (b) written consents from all Grantees who have yet to exercise their SIS Options, either in part or in whole,

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

- (a) no further Offers shall be made by the Option 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 SIS Options which have yet to be exercised by Grantees shall be automatically terminated on the Termination Date.

## 23. DISPUTES OR DIFFERENCES

In case any dispute or difference shall arise between the Board and/or Option 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 Option Committee shall determine such dispute or difference by a written decision given to the Eligible Person, Selected Person and/or

**DRAFT BY-LAWS (cont'd)**

Grantee, as the case may be, PROVIDED THAT where the dispute is raised by a member of the Option Committee, the said member shall abstain from voting in respect of the decision of the Option Committee in that instance. The said decision 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 Option Committee. Notwithstanding the foregoing, for matters concerning adjustments made pursuant to this By-Law 14 it shall be referred to the Adviser and/or Auditor (as selected by the Board and/or Option Committee at its absolute discretion) (acting as experts and not as arbitrators) whose decision shall be final and binding in all respects. The Board and/or Option 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. The Board and the Option 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. 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 SIS Committee shall be borne by such party.

**24. COSTS AND EXPENSES**

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 SIS 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 SIS Options under the Scheme.

Notwithstanding any provisions contained herein and subject to the Act, the Company, the Board and the Option 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.**

Notwithstanding the maximum percentage of the Grantee's SIS 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 Option Committee, in the event of the court sanctioning a compromise or arrangement between Bioalpha and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of Bioalpha under Section 176 of the Act or its amalgamation with any other company or companies under Section 178 of the Act or the Company decides to merge with other company or companies, a Grantee may exercise in full or in part any SIS 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 SIS Option shall be exercised after the expiry of the Option Period.

Upon the compromise or arrangement becoming effective, all SIS 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

**DRAFT BY-LAWS (cont'd)**

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 of the Group 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;
- (b) this Scheme shall not confer on any person any legal or equitable rights (other than those constituting the SIS Option themselves) against the Company or any company of the Group or any members of the Option 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;
- (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 Option 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 Option 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 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 Option 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 SIS Options or their SIS Options ceasing to be valid pursuant to the provisions of these By-Laws.

**28. ARTICLES OF ASSOCIATION OF THE COMPANY**

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

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**DRAFT BY-LAWS (cont'd)**

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**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 SIS Options, and any holding or dealing of such SIS 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.

**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 SIS Options in accordance with the 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 Option 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 Option Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Option 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 Option 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

**DRAFT BY-LAWS (cont'd)**

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**

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.

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 SIS Options pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Person.

**33. NOTICE**

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.

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

**34. ERRORS AND OMISSIONS**

34.1 If in consequences of an error or omission, the Option 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 SIS 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 Option 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

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**DRAFT BY-LAWS (cont'd)**

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Director who was erroneously selected as a Selected Person and/or to ensure that the Selected Person is given the correct number of SIS Options or credited with the correct number of Shares to which he is entitled to.

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

- 35.1 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 thirty percent (30%) of its issued and paid-up share capital (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.



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**FURTHER INFORMATION**


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**1. Directors' Responsibility Statement**

This Circular has been seen and approved by our Board who collectively and individually accepts full responsibility for the accuracy and correctness of the information given in this Circular and confirms that, after making all reasonable enquiries, that to best of their knowledge and belief, there is no false or misleading statement or other facts, the omission of which would make any statement in this Circular false or misleading.

**2. Consent**

TA Securities, being the Adviser for the Proposed Bonus Issue and Proposed SIS, 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. Conflict of interest**

TA Securities is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposed Bonus Issue and Proposed SIS.

**4. Material litigation, claims and arbitration**

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

**5. Material commitment**

As at the LPD, our Board is not aware of any material commitment incurred or known to be incurred by our Company or our Group, which may have material impact on the financial position of our Group, save as disclosed below:

	<b>Group level</b>	
	<b>As at the LPD</b>	<b>As at 31 December 2015</b>
	<b>RM</b>	<b>RM</b>
Authorised and contracted for		
- Purchase of property, plant and equipment	4,500,000	4,500,000

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**FURTHER INFORMATION (cont'd)****6. Contingent liabilities**

As at the LPD, our Board is not aware of any other contingent liabilities incurred or known to be incurred by our Company or our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group, save as disclosed below:

	<b>Group level</b>	
	<b>As at the LPD</b>	<b>As at 31 December 2015</b>
	<b>RM</b>	<b>RM</b>
Unsecured:		
- Corporate guarantees given to the license banks for credit facility granted to subsidiary companies	3,000,000	3,000,000

**7. Documents available for inspection**

Copies of the following documents are available for inspection at our Registered Office at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia during normal business hours from 8.00 a.m. to 5.00 p.m. from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) our Memorandum and Articles of Association;
- (ii) the audited consolidated financial statements of our Group for the past two (2) FYE 31 December 2014 and 2015, and the latest unaudited quarterly results of our Group for the three (3)-month period ended 31 March 2016;
- (iii) the draft By-laws as set out in Appendix I of this Circular; and
- (iv) the letter of consent and declaration on conflict of interest, as referred to in Sections 2 and 3 above.

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## BIOALPHA HOLDINGS BERHAD

(Company No.: 949536-X)

(Incorporated in Malaysia under the Companies Act, 1965)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Bioalpha Holdings Berhad (“**Bioalpha**” or “**Company**”) will be held at Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor, Malaysia on Friday, 19 August 2016, at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following ordinary resolutions with or without modifications:

#### ORDINARY RESOLUTION 1

**PROPOSED BONUS ISSUE OF UP TO 166,666,666 NEW ORDINARY SHARES OF RM0.05 EACH IN BIOALPHA (“BIOALPHA SHARES” OR “SHARES”) (“BONUS SHARES”) ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY THREE (3) EXISTING BIOALPHA SHARES HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE”)**

“THAT approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to issue up to 166,666,666 Bonus Shares on the basis of one (1) Bonus Share for every three (3) existing Bioalpha Shares held by the shareholders of the Company at the Entitlement Date (“**Entitled Shareholders**”);

AND THAT the Board be and is hereby authorised to capitalise a total sum of up to RM8,333,333 from the Company’s share premium account and/or retained earnings for the purpose of the Proposed Bonus Issue;

AND THAT such Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Bioalpha Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Bonus Shares;

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any condition, modification, variation and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or persons and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Bonus Issue.”

#### ORDINARY RESOLUTION 2

**PROPOSED SHARE ISSUANCE SCHEME OF UP TO THIRTY PERCENT (30%) OF THE ISSUED AND PAID-UP SHARE CAPITAL (EXCLUDING ANY TREASURY SHARES) AT ANY ONE TIME DURING THE DURATION OF THE SCHEME OF THE ELIGIBLE DIRECTORS AND EMPLOYEES OF BIOALPHA GROUP OF COMPANIES (“BIOALPHA GROUP” OR “GROUP”) (EXCLUDING DORMANT SUBSIDIARIES AND NON-MALAYSIAN SUBSIDIARIES) (“PROPOSED SIS”)**

“THAT subject to the provisions under the Companies Act, 1965 (“**Act**”) and the approvals of the relevant authorities being obtained for the Proposed SIS, approval be and is hereby given for the Company to:-

- (a) establish and administer the Proposed SIS which involves the granting of options to all eligible employees of the Bioalpha Group including Directors of the Bioalpha Group (excluding Bioalpha’s subsidiaries which are dormant) who meet the criteria of eligibility for participation of the Proposed SIS (“**Eligible Persons**”) as set out in the By-laws, a draft of which is set out in Appendix I of the Circular to Shareholders dated 22 July 2016 (“**By-laws**”);

- (b) allot and issue such number of new Bioalpha Shares to the Eligible Persons from time to time as may be required in connection with the implementation of the Proposed SIS while this approval is in force provided that the aggregate number of Bioalpha Shares to be allotted and issued shall not exceed thirty per centum (30%) of the issued and paid-up share capital of the Company (excluding any treasury shares) at any one time throughout the duration of the Proposed SIS;
- (d) make necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the new Bioalpha Shares which may from time to time be allotted and issued pursuant to the Proposed SIS. Such new Bioalpha Shares will, upon allotment, issuance and full payment, rank *pari passu* in all respects with the then existing Bioalpha Shares, save and except that the new Bioalpha Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment of such new Bioalpha Shares;
- (e) modify and/or amend the Proposed SIS from time to time provided that such modifications and/or amendments are effected in accordance with the By-laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed SIS; and
- (f) extend the duration of the Proposed SIS for a maximum period of an additional five (5) years (the duration of the Proposed SIS would then be for a total period of ten (10) years from the effective date of the Proposed SIS), if the Board of Directors of the Company (“**Board**”) deems fit;

AND THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed SIS with full power to modify and/or amend the By-laws from time to time as may be required or deemed necessary in accordance with the provisions of the By-laws relating to amendments and/or modifications and to assent to any condition, variation, modification and/or amendment as may be necessary or expedient and/or imposed by and/or agreed with the relevant authorities.”

### **ORDINARY RESOLUTION 3**

#### **PROPOSED GRANTING OF OPTIONS TO TAN SRI ABD RAHMAN BIN MAMAT**

“THAT, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant Tan Sri Abd Rahman Bin Mamat, being the Independent Non-Executive Chairman of the Company, options to subscribe for new Bioalpha Shares and if such options are accepted and exercised, to allot and issue such number of new Bioalpha Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-laws, provided that:

- (i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Tan Sri Abd Rahman Bin Mamat, as long as Tan Sri Abd Rahman Bin Mamat either singly or collectively through persons connected with him (as defined in the Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of Bioalpha;

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws.”

#### **ORDINARY RESOLUTION 4**

##### **PROPOSED GRANTING OF OPTIONS TO HON TIAN KOK @ WILLIAM**

“THAT, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Hon Tian Kok @ William, being the Managing Director/ Chief Executive Officer of the Company, options to subscribe for new Bioalpha Shares and if such options are accepted and exercised, to allot and issue such number of new Bioalpha Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-laws, provided that:

- (i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Hon Tian Kok @ William, as long as Hon Tian Kok @ William either singly or collectively through persons connected with him (as defined in the Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of Bioalpha;

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws.”

#### **ORDINARY RESOLUTION 5**

##### **PROPOSED GRANTING OF OPTIONS TO DATO’ SRI HJ. SYED ZAINAL ABIDIN B SYED MOHAMED TAHIR**

“THAT, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Dato’ Sri Hj. Syed Zainal Abidin B Syed Mohamed Tahir, being the Executive Director of the Company, options to subscribe for new Bioalpha Shares and if such options are accepted and exercised, to allot and issue such number of new Bioalpha Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-laws, provided that:

- (i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Dato’ Sri Hj. Syed Zainal Abidin B Syed Mohamed Tahir, as long as Dato’ Sri Hj. Syed Zainal Abidin B Syed Mohamed Tahir either singly or collectively through persons connected with him (as defined in the Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of Bioalpha;

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws.”

#### **ORDINARY RESOLUTION 6**

##### **PROPOSED GRANTING OF OPTIONS TO HO TZE HIUNG**

“THAT, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Ho Tze Hiung, being the Executive Director of the Company, options to subscribe for new Bioalpha Shares and if such options are accepted and exercised, to allot and issue such number of new Bioalpha Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-laws, provided that:

- (i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Ho Tze Hiung, as long as Ho Tze Hiung either singly or collectively through persons connected with him (as defined in the Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of Bioalpha;

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws.”

## **ORDINARY RESOLUTION 7**

### **PROPOSED GRANTING OF OPTIONS TO DATO' NORHALIM BIN YUNUS**

“THAT, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Dato' Norhalim Bin Yunus, being the Non-Independent Non-Executive Director of the Company, options to subscribe for new Bioalpha Shares and if such options are accepted and exercised, to allot and issue such number of new Bioalpha Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-laws, provided that:

- (i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Dato' Norhalim Bin Yunus, as long as Dato' Norhalim Bin Yunus either singly or collectively through persons connected with him (as defined in the Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of Bioalpha;

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws.”

## **ORDINARY RESOLUTION 8**

### **PROPOSED GRANTING OF OPTIONS TO DATO' ROSELY BIN SAMSURI**

“THAT, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Dato' Rosely Bin Samsuri, being the Non-Independent Non-Executive Director of the Company, options to subscribe for new Bioalpha Shares and if such options are accepted and exercised, to allot and issue such number of new Bioalpha Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-laws, provided that:

- (i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Dato' Rosely Bin Samsuri, as long as Dato' Rosely Bin Samsuri either singly or collectively through persons connected with him (as defined in the Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of Bioalpha;

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws.”

## **ORDINARY RESOLUTION 9**

### **PROPOSED GRANTING OF OPTIONS TO TAN SRI DATO' DR. SYED JALALUDIN BIN SYED SALIM**

“THAT, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim, being the Independent Non-Executive Director of the Company, options to subscribe for new Bioalpha Shares and if such options are accepted and exercised, to allot and issue such number of new Bioalpha Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-laws, provided that:

- (i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim, as long as Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim either singly or collectively through persons connected with him (as defined in the Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of Bioalpha;

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws.”

## **ORDINARY RESOLUTION 10**

### **PROPOSED GRANTING OF OPTIONS TO DR. NIK ISMAIL BIN NIK DAUD**

“THAT, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Dr. Nik Ismail Bin Nik Daud, being the Independent Non-Executive Director of the Company, options to subscribe for new Bioalpha Shares and if such options are accepted and exercised, to allot and issue such number of new Bioalpha Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-laws, provided that:

- (i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Dr. Nik Ismail Bin Nik Daud, as long as Dr. Nik Ismail Bin Nik Daud either singly or collectively through persons connected with him (as defined in the Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of Bioalpha;

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws.”

## **ORDINARY RESOLUTION 11**

### **PROPOSED GRANTING OF OPTIONS TO MOHD NASIR BIN ABDULLAH**

“THAT, subject to the passing of Ordinary Resolution 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed SIS, to offer and grant to Mohd Nasir Bin Abdullah, being the Independent Non-Executive Director of the Company, options to subscribe for new Bioalpha Shares and if such options are accepted and exercised, to allot and issue such number of new Bioalpha Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-laws, provided that:

- (i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Mohd Nasir Bin Abdullah, as long as Mohd Nasir Bin Abdullah either singly or collectively through persons connected with him (as defined in the Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of Bioalpha;

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-laws.”

## **ORDINARY RESOLUTION 12**

### **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF BIOALPHA FROM RM25,000,000 COMPRISING 500,000,000 BIOALPHA SHARES TO RM100,000,000 COMPRISING 2,000,000,000 BIOALPHA SHARES (“PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL”)**

“THAT subject to the passing of Special Resolution 1, the authorised share capital of the Company be and is hereby increased from RM25,000,000.00 divided into 500,000,000 Bioalpha Shares to RM100,000,000.00 divided into 2,000,000,000 Bioalpha Shares by the creation of 1,500,000,000 new Bioalpha Shares AND THAT in consequence thereof the Memorandum and Articles of Association of the Company and any other relevant documents be and is hereby altered accordingly.”

## SPECIAL RESOLUTION 1

### PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION (“MOA”) OF BIOALPHA TO FACILITATE THE PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL (“PROPOSED MOA AMENDMENT”)

“THAT subject to the passing of the Ordinary Resolution 12, the MOA of the Company shall be amended as follows:”

Existing	Proposed MOA Amendment
<u>Clause 6 of the Memorandum of Association</u>	<u>New Clause 6 of the Memorandum of Association</u>
The capital of the company is <b>RM25,000,000.00</b> divided into <b>500,000,000</b> ordinary shares of <b>RM0.05</b> each.	The capital of the company is <b>RM100,000,000.00</b> divided into <b>2,000,000,000</b> ordinary shares of <b>RM0.05</b> each.

#### BY ORDER OF THE BOARD

Tan Tong Lang (MAICSA 7045482)  
Chong Voon Wah (MAICSA 7055003)  
Company Secretaries

Kuala Lumpur  
Date: 22 July 2016

#### Notes:

1. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (“SICDA”), it may appoint more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
2. Where a member of the Company is an exempt authorised nominee which 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 the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation’s Seal or under the hand of an officer or an attorney duly authorised.
5. The instrument appointing a proxy must be deposited at Symphony Share Registrars Sdn Bhd, Share Registrar office of the Company at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before the time set for holding the meeting, i.e. on or before 10.00 a.m., Wednesday, 17 August 2016 or at any adjournment thereof.
6. For the purpose of determining a member who shall entitle to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 65(2), 65(3) & 65(4) of the Company’s Articles of Association to issue a General Meeting Record of Depositors as at 11 August 2016. Only depositor whose name appears on the Record of Depositors as at 11 August 2016 shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.





## BIOALPHA HOLDINGS BERHAD

(Company No.: 949536-X)

(Incorporated in Malaysia under the Companies Act, 1965)

### FORM OF PROXY FOR EXTRAORDINARY GENERAL MEETING

I/We, .....NRIC No. ....  
(Full name in capital letters)

of .....  
(Full address)

being a member(s) of **BIOALPHA HOLDINGS BERHAD** (Company No. 949536-X) hereby appoint(s)  
.....(Full name in capital letters)

of .....  
(Full address)

or failing him, .....of.....

as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor, Malaysia on Friday, 19 August 2016 at 10.00 a.m. for/against\* the resolution(s) to be proposed thereat. The proxy is to vote in the manner indicated below, with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

No.	Agenda	Resolution	FOR	AGAINST
1.	Proposed Bonus Issue	Ordinary Resolution 1		
2.	Proposed SIS	Ordinary Resolution 2		
3.	Proposed Granting of Options to Tan Sri Abd Rahman Bin Mamat	Ordinary Resolution 3		
4.	Proposed Granting of Options to Hon Tian Kok @ William	Ordinary Resolution 4		
5.	Proposed Granting of Options to Dato' Sri Hj. Syed Zainal Abidin B Syed Mohamed Tahir	Ordinary Resolution 5		
6.	Proposed Granting of Options to Ho Tze Hiung	Ordinary Resolution 6		
7.	Proposed Granting of Options to Dato' Norhalim Bin Yunus	Ordinary Resolution 7		
8.	Proposed Granting of Options to Dato' Rosely Bin Samsuri	Ordinary Resolution 8		
9.	Proposed Granting of Options to Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim	Ordinary Resolution 9		
10.	Proposed Granting of Options to Dr. Nik Ismail Bin Nik Daud	Ordinary Resolution 10		
11.	Proposed Granting of Options to Mohd Nasir Bin Abdullah	Ordinary Resolution 11		
12.	Proposed Increased in Authorised Share Capital	Ordinary Resolution 12		
13.	Proposed MOA Amendments	Speical Resolution 1		

Signed on this ..... day of ..... 2016.

Number of shares held:-	
CDS account no.:-	

.....  
Signature of Shareholder of Common Seal

\* Strike out whichever is not desired.



*Notes:*

1. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
2. *Where a member of the Company is an exempt authorised nominee which 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 the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
3. *Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at Symphony Share Registrars Sdn Bhd, Share Registrar office of the Company at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before the time set for holding the meeting, i.e. on or before 10.00 a.m., Wednesday, 17 August 2016 or at any adjournment thereof.*
6. *For the purpose of determining a member who shall entitle to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 65(2), 65(3) & 65(4) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 11 August 2016. Only depositor whose name appears on the Record of Depositors as at 11 August 2016 shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.*

Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Share Registrar  
**BIOALPHA HOLDINGS BERHAD**  
Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

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