

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, banker, solicitor, accountant, bank manager or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has perused this Circular on a limited review basis pursuant to Paragraph 4.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities, prior to the issuance of this Circular.

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PHARMANIAGA BERHAD
(Registration No.: 199801011581 (467709-M))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- (I) **PROPOSED BONUS ISSUE OF UP TO 1,047,994,928 NEW ORDINARY SHARES IN PHARMANIAGA ("BONUS SHARES") ON THE BASIS OF 4 BONUS SHARES FOR EVERY 1 EXISTING ORDINARY SHARE IN PHARMANIAGA HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE");**
 - (II) **PROPOSED AMENDMENTS TO THE BY-LAWS GOVERNING THE EXISTING SHARE ISSUANCE SCHEME OF PHARMANIAGA ("SCHEME") ("PROPOSED BY-LAWS AMENDMENT"); AND**
 - (III) **PROPOSED ALLOCATION OF THE OPTIONS AND THE SHARE GRANTS UNDER THE SCHEME TO THE GROUP MANAGING DIRECTOR OF PHARMANIAGA**
- (COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

Principal Adviser for the Proposed Bonus Issue and Proposed By-Laws Amendment



AFFIN HWANG INVESTMENT BANK BERHAD (Registration No. 197301000792 (14389-U))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolutions in respect of the Proposals are set out in the Notice of the Company's Extraordinary General Meeting ("**EGM**") which is enclosed in this Circular. The EGM will be conducted entirely through live streaming from the broadcast venue at Royale Chulan Kuala Lumpur, 5, Jalan Conlay, 50450 Kuala Lumpur on Wednesday, 16 June 2021, at 11:00 a.m., or immediately after the conclusion or adjournment of (as the case may be) of the Company's Twenty-Third (23rd) Annual General Meeting which will be held at the same venue on the same day at 9:00 a.m., whichever is the later. This Circular is dispatched together with the Notice of the EGM and Proxy Form which are enclosed in this Circular.

As part of the initiatives to curb the spread of Coronavirus Disease 2019 (COVID-19), the EGM will be conducted on a **virtual basis through live streaming and online remote voting** via Remote Participation and Voting ("**RPV**"). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's ("**Tricor**") TIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the EGM, as enclosed in this Circular, in order to register, participate, speak and vote remotely via the RPV facilities.

In view that the EGM will be conducted on a virtual basis, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instruction in the Proxy Form. Please complete, sign and deposit the Proxy Form at the office of the Company's Share Registrar, Tricor, located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur no later than Monday, 14 June 2021 at 9:00 a.m.

Last day, date and time for lodging the Proxy Form : Monday, 14 June 2021, 11:00 a.m.
Day, date and time of the EGM : Wednesday, 16 June 2021, 11:00 a.m.

This Circular is dated 31 May 2021

DEFINITIONS

Except where the context otherwise requires, the following terms and abbreviations shall apply throughout this Circular:

Act	:	Companies Act, 2016
Affin Hwang IB	:	Affin Hwang Investment Bank Berhad (Registration No. 197301000792 (14389-U))
Announcement	:	Announcement dated 7 May 2021 in relation to the Proposals
BHB	:	Boustead Holdings Berhad (Registration No. 196001000193 (3871-H))
Board	:	The Board of Directors of Pharmaniaga
Bonus Shares	:	Up to 1,047,994,928 new Pharmaniaga Shares to be issued pursuant to the Proposed Bonus Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
By-Laws	:	The by-laws governing the Scheme, as amended, modified and/or supplemented from time to time
Circular	:	This circular to the shareholders of Pharmaniaga dated 31 May 2021
CMSA	:	Capital Markets and Services Act, 2007
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Shareholders of Pharmaniaga whose names appear in the Record of Depositors of the Company on the Entitlement Date
Entitlement Date	:	A date to be determined and announced later by our Board, on which the names of the shareholders of Pharmaniaga must appear in the Record of Depositors of our Company as at 5:00 p.m. in order to be entitled to participate in the Proposed Bonus Issue
EPS	:	Earnings per Share
FPE	:	Financial period ended
FYE	:	Financial year ended/ending, as the case may be
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	21 May 2021, being the latest practicable date prior to the printing of this Circular

DEFINITIONS (CONT'D)

LTAT	:	Lembaga Tabung Angkatan Tentera
LTIP	:	The long term incentive plan under the Scheme pursuant to which Share Grants may be granted under the By-Laws
Market Day(s)	:	A day between Monday and Friday (both inclusive) which is not a public holiday and on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming 293,000 Pharmaniaga Shares are issued pursuant to the vesting of the outstanding 293,000 Share Grants as at the LPD prior to the Entitlement Date
Maximum Available Shares	:	The maximum number of Shares which may be made available under the Scheme under the By-Laws
MFRS	:	Malaysian Financial Reporting Standard
Minimum Scenario	:	Assuming no Pharmaniaga Shares are issued pursuant to the outstanding 293,000 Share Grants as at the LPD prior to the Entitlement Date
NA	:	Net assets
Option	:	The right to subscribe for new Shares under the Option Plan
Option Plan	:	The share option plan pursuant to which Options may be granted under the By-Laws
Option Price	:	The price at which the selected person under the Option Plan is entitled to subscribe for the Pharmaniaga Shares
Proposals	:	Collectively, the Proposed Bonus Issue, the Proposed By-Laws Amendment and the Proposed Allocation
Proposed Allocation	:	The proposed allocation of the Options and Share Grants under the Scheme to our Group Managing Director
Proposed Bonus Issue	:	Proposed bonus issue of up to 1,047,994,928 Bonus Shares on the basis of 4 Bonus Shares for every 1 existing Pharmaniaga Share held on the Entitlement Date
Proposed Amendment By-Laws	:	The proposed amendments to the By-Laws as detailed in Section 2.2 of this Circular
Record of Depositors	:	A record of securities holders established by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991
RM and sen	:	Ringgit Malaysia and sen respectively

DEFINITIONS (*CONT'D*)

Scheme Committee	:	The committee comprising Directors and/or other officers or executives of our Company appointed by our Board to implement and administer the Scheme, in accordance with the By-Laws
Scheme Grant(s)	:	The Options and Share Grants, collectively
Share Grant(s)	:	The entitlement to receive new Shares at no cash consideration under the LTIP
Share Issuance Scheme or Scheme	:	The share issuance scheme of our Company implemented on 13 May 2016
TEBP	:	Theoretical ex-bonus price
Pharmaniaga or the Company	:	Pharmaniaga Berhad (Registration No. 199801011581 (467709-M))
Pharmaniaga Group or the Group	:	Pharmaniaga and its subsidiaries, collectively
Pharmaniaga Share(s) or Share(s)	:	Ordinary share(s) in Pharmaniaga
VWAP	:	Volume weighted average price

References to “we”, “us”, “our” and “ourselves” are to our Company, and where the context otherwise requires, our subsidiaries. All references to “you” are to our shareholders.

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

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS TOGETHER WITH THE APPENDICES OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF OUR COMPANY.

Key information	Summary	Reference to this Circular
Details of the Proposed Bonus Issue	Up to 1,047,994,928 Bonus Shares on the basis of 4 Bonus Shares for every 1 existing Pharmaniaga Share held by the Entitled Shareholders.	Section 2.1
Details of the Proposed By-Laws Amendment	<p>The Proposed By-Laws Amendment shall consist of the following amendments to the following terms under the By-Laws:</p> <ul style="list-style-type: none"> (i) amending the definition of eligible persons as specified under the By-Laws to include all employees of our Group (excluding foreign and dormant subsidiaries) to enable all of our employees to participate in the Option Plan and LTIP under the Scheme; (ii) streamlining the By-Laws to be aligned with the Act, which had come into force on 31 January 2017 and to be in compliance with the Listing Requirements which include, amongst others, the abolition of the par value regime and the maximum allocation to our Directors and senior management; (iii) providing that not more than 65% of the total number of Pharmaniaga Shares to be issued under the Scheme shall be allocated, in aggregate, to our Directors and senior management of our Group who are eligible persons under the Scheme (where “senior management” shall be subject to any criteria as may be determined at the sole discretion of the Scheme Committee from time to time); and (iv) reducing the Maximum Shares Available from 15% to 8.5% of the then issued share capital (excluding treasury shares) of the Company at any point of time, from time to time, during the duration of the Scheme. 	Section 2.2
Details of the Proposed Allocation	Our Company proposes to allocate up to 3,000,000 Options and up to 500,000 Share Grants under the Scheme in accordance with the By-Laws to our Group Managing Director, namely, Datuk Zulkarnain Md Eusope who was appointed to our Board on 1 September 2020.	Section 2.3
Rationale for the Proposed Bonus Issue	<p>The Proposed Bonus Issue serves to reward our existing shareholders for their loyalty and continued support to our Group. It is an appropriate avenue for our Company to reward our shareholders as the Proposed Bonus Issue:</p> <ul style="list-style-type: none"> (i) will enable our existing shareholders to have greater participation in the equity of our Company in terms of the number of Pharmaniaga Shares held, whilst maintaining their percentage of equity interest in our Company; and 	Section 3.1

EXECUTIVE SUMMARY (CONT'D)

Key information	Summary	Reference to this Circular
	<p>(ii) is expected to enhance the affordability, marketability and trading liquidity of Pharmaniaga Shares on the Main Market of Bursa Securities, thereby providing opportunity for greater participation from a broader range of investors.</p>	
<p>Rationale for the Proposed By-Laws Amendment</p>	<p>The Proposed By-Laws Amendment is intended to:</p> <ul style="list-style-type: none"> (i) further motivate all our employees irrespective of their designation, position or length of service; (ii) recognise the contributions and/or services of all employees of our Group; (iii) stimulate a greater sense of belonging and dedication of all our employees by participation in the equity of our Company via the Scheme; (iv) reward all eligible employees of our Group by allowing them to participate in our profitability and eventually realise capital gains arising from any appreciation in the value of Pharmaniaga Shares; and (v) allow our Company to raise capital pursuant to the granting of the Options as the Option Plan is extended to the wider group i.e. all employees of our Group; (vi) streamline the By-Laws to be aligned with the Act and to comply with the Listing Requirements; and (vii) ensure that the cost of the Scheme pursuant to MFRS 2 will be contained whilst still providing a meaningful number of Shares which may be made available to the Directors and employees of our Group who are eligible to participate in the Scheme. <p>The provision of not more than 65% of the total number of Pharmaniaga Shares to be issued under the Scheme to be allocated, in aggregate, to our Directors and senior management is to set and attain higher performance achievements and level of contributions from our Directors and senior management while ensuring balanced participations, supports and commitments from non-senior management staff of our Group to achieve higher performance standard.</p>	<p>Section 3.2</p>
<p>Rationale for the Proposed Allocation</p>	<p>The Proposed Allocation is in line with the rationale for the establishment of the Scheme to achieve the following objectives:</p> <ul style="list-style-type: none"> (i) to reward our Group Managing Director for his contribution in the governance and operational performance of our Group; (ii) to incentivise our Group Managing Director to continue providing strategic insight and direction to our Group; (iii) to motivate our Group Managing Director to pursue the long term growth and success of our Company; and 	<p>Section 3.3</p>

EXECUTIVE SUMMARY (CONT'D)

Key information	Summary	Reference to this Circular
	<p>(iv) to promote active participation in the development, evaluation and implementation of our Company's strategic initiatives.</p>	
Effects of the Proposals	<p><u>Proposed Bonus Issue</u> The effects of the Proposed Bonus Issue are as follows:</p> <p>(i) the issued share capital of our Company will increase from 261,705,732 Shares to 1,308,528,660 Pharmaniaga Shares and up to 1,309,993,660 Pharmaniaga Shares under the Minimum Scenario and Maximum Scenario respectively; and</p> <p>(ii) there will be a corresponding dilution in the pro forma NA per Share of our Group as at 31 December 2020 and EPS of our Group for the FYE 31 December 2021 as a result of the increase in the issued share capital of our Company arising from the Proposed Bonus Issue.</p> <p><u>Proposed By-Laws Amendment</u> The Proposed By-Laws Amendment does not have any effect on our issued share capital, NA, NA per Share and gearing, earnings and EPS and substantial shareholders' shareholdings.</p> <p><u>Proposed Allocation</u> The Proposed Allocation is not expected to have any immediate effect on our issued share capital. However, our issued share capital will increase progressively depending on the quantum of Scheme Grants allocated, vested and exercised, and the number of new Pharmaniaga Shares to be issued pursuant thereto.</p> <p>The Proposed Allocation is not expected to have any immediate effect on the NA, NA per share and gearing of our Group until such time as and when the Pharmaniaga Shares are issued pursuant to the exercise or vesting of the Scheme Grants under the Proposed Allocation.</p> <p>According to the MFRS 2 on Share Based Payments as issued by the Malaysian Accounting Standards Board, the vesting of the Scheme Grants requires the recognition of an expense which would affect the future earnings of our Group. However, the extent of the effect of the Proposed Allocation on our consolidated earnings and EPS cannot be determined at this juncture as it would depend on various factors that affect the fair value of the Options and/or the market price of Pharmaniaga Shares as at the respective dates of Options and/or Share Grants (as the case may be).</p> <p>The Proposed Allocation is not expected to have any immediate effect on our substantial shareholders' shareholding until such time when the allocated Scheme Grants are exercised or vested and issued, which will in turn result in a dilution in the respective shareholdings of the substantial shareholders.</p>	Section 4

EXECUTIVE SUMMARY (CONT'D)

Key information	Summary	Reference to this Circular
<p>Interests of directors, major shareholders, chief executive and/or persons connected with them</p>	<p><u>Proposed Bonus Issue</u> None of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, either direct or indirect, in the Proposed Bonus Issue, apart from their respective entitlements under the Proposed Bonus Issue as shareholders of our Company, to which all other shareholders of our Company are similarly entitled.</p> <p><u>Proposed By-Laws Amendment</u> None of our Directors, major shareholders, chief executive and/or persons connected with them, have any interest, direct or indirect in the Proposed By-Laws Amendment.</p> <p><u>Proposed Allocation</u> Our Group Managing Director, namely Datuk Zulkarnain Md Eusope, is an interested party in the Proposed Allocation and has abstained and shall abstain from all Board deliberations and voting on the Proposed Allocation.</p> <p>Our Group Managing Director shall also abstain from voting in respect of his direct and/or indirect shareholdings in our Company, if any, and has undertaken to ensure that any persons connected with him will abstain from voting (in respect of their direct and/or indirect shareholdings in our Company, if any) on the resolution pertaining to the Proposed Allocation, at our forthcoming EGM to be convened.</p> <p>Save for the Group Managing Director, none of our Directors, major shareholders, chief executive and/or persons connected with them, have any interest, direct or indirect in the Proposed Allocation.</p>	<p>Section 7</p>
<p>Directors' statement and recommendation</p>	<p>Our Board, after having considered all aspects of the Proposed Bonus Issue and Proposed By-Laws Amendment including but not limited to the rationale and effects of the Proposed Bonus Issue and Proposed By-Laws Amendment, is of the opinion that the Proposed Bonus Issue and Proposed By-Laws Amendment are in the best interest of our Company and our shareholders.</p> <p>After having considered all aspects of the Proposed Allocation including but not limited to the rationale and effects of the Proposed Allocation, our Board (excluding the Group Managing Director) is of the opinion that the Proposed Allocation is in the best interest of our Company and our shareholders.</p> <p>Accordingly, our Board (save for the Group Managing Director who has abstained from expressing any recommendation on the Proposed Allocation) recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the EGM to be convened.</p>	<p>Section 8</p>

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PHARMANIAGA BERHAD
(Registration No. 199801011581 (467709-M))
(Incorporated in Malaysia)

Registered Office
28th Floor, Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

31 May 2021

Board of Directors:

Dato' Sri Mohammed Shazalli Ramly	<i>(Non-Independent Non-Executive Chairman)</i>
Datuk Zulkarnain Md Eusope	<i>(Group Managing Director)</i>
Dato' Dr. Najmil Faiz Mohamed Aris	<i>(Independent Non-Executive Director)</i>
Datuk Dr. Azhar Ahmad	<i>(Independent Non-Executive Director)</i>
Zulkifli Jafar	<i>(Independent Non-Executive Director)</i>
Dr. Abdul Razak Ahmad	<i>(Independent Non-Executive Director)</i>
Izaddeen Daud	<i>(Non-Independent Non-Executive Director)</i>
Zainal Abidin Shariff	<i>(Independent Non-Executive Director)</i>

To: The shareholders of our Company

Dear Sir/Madam,

- (I) **PROPOSED BONUS ISSUE**
 - (II) **PROPOSED BY-LAWS AMENDMENT**
 - (III) **PROPOSED ALLOCATION**
- (COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**
-

1. INTRODUCTION

On 7 May 2021, Affin Hwang IB had, on behalf of our Board, announced, amongst others, that our Company proposes to undertake the Proposals.

On 10 May 2021, Affin Hwang IB had, on behalf of our Board, announced that the listing application in relation to the Proposed Bonus Issue had been submitted to Bursa Securities.

On 19 May 2021, Affin Hwang IB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 19 May 2021, approved the listing of and quotation for up to 1,056,154,928¹ Bonus Shares to be issued on the Main Market of Bursa Securities pursuant to the Proposed Bonus Issue, subject to the conditions as set out in **Section 6** of this Circular.

The details of the Proposals are set out in the ensuing sections of this Circular.

¹ Subsequent to the listing application submitted to Bursa Securities on 10 May 2021, 2,040,000 Options have expired, resulting in the reduced maximum number of Bonus Shares to be issued from up to 1,056,154,928 Bonus Shares as approved by Bursa Securities to up to 1,047,994,928 Bonus Shares as sought in this Circular.

THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDICES IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS TOGETHER WITH THE RECOMMENDATION OF OUR BOARD AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM OF OUR COMPANY. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS TOGETHER WITH THE APPENDICES OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF OUR COMPANY.

2. DETAILS OF THE PROPOSALS

2.1. Proposed Bonus Issue

2.2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue will entail the issuance of up to 1,047,994,928 Bonus Shares on the basis of 4 Bonus Shares for every 1 existing Pharmaniaga Share held by the Entitled Shareholders.

The basis of 4 Bonus Shares for every 1 existing Pharmaniaga Share was determined after taking into consideration, amongst others, the following:

- (i) the potential adjustments to the share price of Pharmaniaga Shares arising from the Proposed Bonus Issue; and
- (ii) the enlarged number of Pharmaniaga Shares after the Proposed Bonus Issue.

The Entitlement Date will be determined and announced at a later date after all the relevant approvals for the Proposed Bonus Issue have been obtained. The Proposed Bonus Issue will not be implemented on a staggered basis.

As at the LPD, the issued share capital of our Company is RM153,339,345 comprising 261,705,732 Pharmaniaga Shares.

In addition, as at the LPD, our Company has 293,000 outstanding Share Grants, of which up to 293,000 Pharmaniaga Shares may be issued prior to the Entitlement Date. For avoidance of doubt, our Company has not granted and does not intend to further grant any Scheme Grants to any eligible persons under the Scheme from the LPD until the completion of the Proposed Bonus Issue.

The maximum number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue was arrived at after taking into consideration the following:

- (i) the issued share capital of our Company of RM153,339,345 comprising 261,705,732 Pharmaniaga Shares as at the LPD; and
- (ii) assuming 293,000 Pharmaniaga Shares are issued pursuant to the vesting of the outstanding 293,000 Share Grants prior to the Entitlement Date.

Pursuant to the Minimum Scenario and Maximum Scenario, the Proposed Bonus Issue would entail the issuance of 1,046,822,928 Bonus Shares and up to 1,047,994,928 Bonus Shares respectively. Upon completion of the Proposed Bonus Issue, the issued share capital of our Company will increase to 1,308,528,660 Pharmaniaga Shares and up to 1,309,993,660 Pharmaniaga Shares under the Minimum Scenario and Maximum Scenario respectively.

The actual number of Bonus Shares to be issued will depend on the issued share capital of our Company on the Entitlement Date.

Fractional entitlements arising from the Proposed Bonus Issue, if any, will be disregarded, and/or dealt with by our Board in such manner as they may in their absolute discretion deem fit or expedient and in the best interest of our Company.

There will be an adjustment to the market price of Pharmaniaga Shares listed and quoted on the Main Market of Bursa Securities pursuant to the Proposed Bonus Issue. For illustrative purposes, based on the 5-day VWAP of Pharmaniaga Shares up to and including the LPD of RM4.25, the TEBP of Pharmaniaga Shares is RM0.85.

Further, pursuant to Paragraph 6.30(1A) of the Listing Requirements, the share price adjusted for the Proposed Bonus Issue shall not be less than RM0.50 based on the daily VWAP of Pharmaniaga Shares during the 3-month period up to and including 7 May 2021, being the date immediately preceding the submission of the application to Bursa Securities on 10 May 2021.

For illustrative purposes, based on the daily VWAP of Pharmaniaga Shares during the 3-month period up to and including 7 May 2021, being the date immediately preceding the submission of the application to Bursa Securities on 10 May 2021, of RM3.77, the TEBP of Pharmaniaga Shares is RM0.75. Accordingly, our Board confirms that the Proposed Bonus Issue is and will be in compliance with Paragraph 6.30(1A) of the Listing Requirements.

2.1.2 No capitalisation of reserves

The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of our Company's reserves.

For the avoidance of doubt, the Proposed Bonus Issue will increase the number of Pharmaniaga Shares but the value of our issued share capital will remain the same.

2.1.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing Pharmaniaga Shares.

As Pharmaniaga Shares are prescribed securities under Section 14(5) of the Security Industry (Central Depositories) Act 1991, the Bonus Shares will be credited directly into the respective central depository system accounts of the Entitled Shareholders and no physical share certificates will be issued.

2.1.4 Listing of and quotation for the Bonus Shares

Bursa Securities had, vide its letter dated 19 May 2021, approved the listing of and quotation for up to 1,056,154,928 Bonus Shares to be issued on the Main Market of Bursa Securities pursuant to the Proposed Bonus Issue, subject to the conditions as set out in **Section 6** of this Circular.

Upon obtaining all the necessary approvals as set out in **Section 6** of this Circular, the Bonus Shares will be listed and quoted on the Main Market of Bursa Securities on the next Market Day after the Entitlement Date. The notices of allotment for the Bonus Shares will be issued and despatched to the Entitled Shareholders no later than 4 Market Days after the date of listing of and quotation for the Bonus Shares, or such other period as may be prescribed by Bursa Securities.

2.2. Proposed By-Laws Amendment

Our Company had on 13 May 2016 (“**Effective Date**”) implemented the Scheme which is in force for 5 years and will be valid until 12 May 2021 (“**Initial Term**”). However, our Board has the sole and absolute discretion to extend the duration of the Initial Term for up to another 5 years immediately after the expiry of the Initial Term provided that the duration of the Scheme does not exceed a maximum of 10 years in its entirety from the Effective Date.

On 7 May 2021, our Board announced the extension of the duration of the Initial Term of the Scheme for a further period of 5 years from 13 May 2021 to 12 May 2026. The extension of the Initial Term is not subject to our shareholders’ approval in accordance with the terms of the By-Laws. The notice of extension will be served by our Company to the eligible persons under the Scheme in due course.

In accordance with the By-Laws, the “Eligible Person(s)” is defined as selected senior management officer² of our Group, Executive and Non-Executive Director of our Company. Further, the Maximum Shares Available shall not exceed 15% of the then issued share capital (excluding treasury shares) of our Company at any such point of time, from time to time, during the duration of the Scheme.

The Proposed By-Laws Amendment shall consist of the following amendments to the following terms under the By-Laws:

- (i) amending the definition of eligible persons as specified under the By-Laws to include all employees of our Group (excluding foreign and dormant subsidiaries) to enable them to participate in the Option Plan and LTIP under the Scheme;
- (ii) streamlining the By-Laws to be aligned with the Act, which had come into force on 31 January 2017 and to be in compliance with the Listing Requirements which include, amongst others, the abolition of the par value regime and the maximum allocation to our Directors and senior management;
- (iii) providing that not more than 65% of the total number of Pharmaniaga Shares to be issued under the Scheme shall be allocated, in aggregate, to our Directors and senior management of our Group who are eligible persons under the Scheme (where “senior management” shall be subject to any criteria as may be determined at the sole discretion of the Scheme Committee from time to time); and
- (iv) reducing the Maximum Shares Available from 15% to 8.5% of the then issued share capital (excluding treasury shares) of our Company at any point of time, from time to time, during the duration of the Scheme.

As at the LPD, our Company has issued 2,823,000 Pharmaniaga Shares pursuant to the Scheme and has a total of 293,000 outstanding Share Grants which have been granted but yet to be vested and issued under the Scheme totalling 3,116,000 Scheme Grants, which is equivalent to approximately 1.19% of the issued share capital of our Company as at the LPD.

The Proposed By-Laws Amendment will involve certain clauses in the By-Laws, further details of which are set out in **Appendix I** of this Circular.

The draft amended By-Laws are enclosed in **Appendix II** of this Circular.

² Employee of the Pharmaniaga Group (excluding foreign and dormant subsidiaries) occupying the position of a deputy general manager or above, as determined by the Scheme Committee.

2.3. Proposed Allocation

Our Company proposes to allocate up to 3,000,000 Options and up to 500,000 Share Grants under the Scheme in accordance with the By-Laws to our Group Managing Director, namely, Datuk Zulkarnain Md Eusope who was appointed to our Board on 1 September 2020.

Our Group Managing Director has not received any Options or Share Grants since his appointment to our Board.

The number of Options and Share Grants that may be offered to eligible persons under the Scheme shall be determined by the Scheme Committee on an annual basis, subject to the following:

- (i) the allocation to any individual eligible person, who either singly or collectively through persons connected (as defined in the Listing Requirements) of that eligible person, holds 20% or more of the issued share capital of our Company, shall not exceed 10% of the Maximum Shares Available; and
- (ii) the value of the allocation per year to the eligible persons under the LTIP shall not exceed 6% of the audited profit after tax of our Group for the preceding financial year.

For the purpose of clarification, if the Proposed By-Laws Amendment is approved by our shareholders, the number of Scheme Grants that may be offered by the Scheme Committee on an annual basis shall further be subject to the requirement that not more than 65% of the total number of Pharmaniaga Shares to be issued under the Scheme shall be allocated, in aggregate, to our Directors and senior management who are eligible persons under the Scheme.

The Option Price shall be determined based on the VWAP of Pharmaniaga Shares for the 5 Market Days immediately preceding the date of the Option offer, subject to a discount of not more than 10% of the foregoing.

The new Shares to be allotted and issued pursuant to the vesting and exercise of the Scheme Grants under the Scheme pursuant to the Proposed Allocation, shall, upon allotment and issue, rank *pari passu* in all other respects with the other then existing Shares of our Company.

Bursa Securities had, vide its letter dated 4 March 2016, approved the listing of and quotation for such number of new Pharmaniaga Shares to be issued pursuant to the Scheme on the Main Market of Bursa Securities.

3. RATIONALE FOR THE PROPOSALS

3.1. Proposed Bonus Issue

The Proposed Bonus Issue serves to reward our existing shareholders for their loyalty and continued support to our Group.

After due consideration of the various options available, our Board is of the view that the Proposed Bonus Issue is an appropriate avenue for our Company to reward our shareholders as the Proposed Bonus Issue:

- (i) will enable our existing Shareholders to have greater participation in the equity of our Company in terms of the number of Pharmaniaga Shares held, whilst maintaining their percentage of equity interest in our Company; and
- (ii) is expected to enhance the affordability, marketability and trading liquidity of Pharmaniaga Shares on the Main Market of Bursa Securities, thereby providing opportunity for greater participation from a broader range of investors.

Further, as the Proposed Bonus Issue will not result in any capitalisation of our Company's reserves, we will be able to deploy our reserves and total net assets towards future needs as it arises.

3.2. Proposed By-Laws Amendment

The Proposed By-Laws Amendment is intended to extend the Option Plan and LTIP under the Scheme to all our employees (instead of only selected senior management officers), and is in line with the rationale for the establishment of the Scheme, which is to align the interests of all our employees and Directors with the corporate goals of our Company and to achieve the following positive outcome:

- (i) to further motivate all our employees irrespective of their designation, position or length of service who are eligible towards better performance through higher productivity and loyalty;
- (ii) to recognise the contributions and/or services of all our employees who are considered vital to the operations and continued growth of our Group;
- (iii) to stimulate a greater sense of belonging and dedication by providing all eligible employees of our Group with an opportunity to further increase their participation in the equity of our Company via the Scheme;
- (iv) to reward all eligible employees of our Group without adversely affecting the cash flow of our Company by allowing them to participate in our profitability and eventually realise capital gains arising from any appreciation in the value of Pharmaniaga Shares; and
- (v) to allow our Company to raise capital pursuant to the granting of the Options as the Option Plan is extended to wider group i.e. all employees of our Group.

Notwithstanding the above, the provision of not more than 65% of the total number of Pharmaniaga Shares to be issued under the Scheme to be allocated, in aggregate, to our Directors and senior management is to set and attain higher performance achievements and level of contributions from our Directors and senior management while ensuring balanced participations, supports and commitments from non-senior management staff of our Group to achieve higher performance standard.

Pursuant to MFRS 2 on Share Based Payments as issued by the Malaysian Accounting Standards Board, the vesting of the Scheme Grants requires the recognition of an expense which would affect the future earnings of our Group. The proposed reduction of the Maximum Shares Available from 15% to 8.5% (instead of 15%) of the issued share capital of our Company is intended to ensure that the cost of the Scheme pursuant to MFRS 2 will be contained whilst still providing a meaningful number of Shares which may be made available to the Directors and employees of our Group who are eligible to participate in the Scheme.

In addition to the above, our Board proposes to undertake the Proposed By-Laws Amendment after taking into consideration the Act as well as to comply with the Listing Requirements.

3.3. Proposed Allocation

The Proposed Allocation is in line with the rationale for the establishment of the Scheme to achieve the following objectives:

- (i) to reward our Group Managing Director for his contribution in the governance and operational performance of our Group;
- (ii) to incentivise our Group Managing Director to continue providing strategic insight and direction to our Group;
- (iii) to motivate our Group Managing Director to pursue the long term growth and success of our Company; and
- (iv) to promote active participation in the development, evaluation and implementation of our Company's strategic initiatives.

4. EFFECTS OF THE PROPOSALS

The Proposed By-Laws Amendment does not have any effect on the issued share capital, NA, NA per Share and gearing, earnings and EPS and substantial shareholders' shareholdings of our Company.

4.1. Issued share capital

For illustrative purposes, the pro forma effects of the Proposed Bonus Issue on the issued share capital of our Company as at the LPD, are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares '000	RM'000	No. of Shares '000	RM'000
Issued share capital as at the LPD	261,706	153,339	261,706	153,339
Assuming the outstanding 293,000 Share Grants are vested and issued	-	-	293	(1) 1,181
	261,706	153,339	261,999	154,520
Shares to be issued pursuant to the Proposed Bonus Issue	1,046,823	-	1,047,995	-
Enlarged issued share capital after the Proposed Bonus Issue	1,308,529	153,339	1,309,994	154,520

Note:

(1) Assuming 293,000 Pharmaniaga Shares are issued pursuant to the vesting of the outstanding 293,000 Share Grants prior to the Entitlement Date based on the following computations:

	No. of Shares	Price RM	Total RM	Remarks
Outstanding Share Grants	293,000	4.03	1,180,790	Being the closing price as at the LPD

The Proposed Allocation is not expected to have any immediate effect on the issued share capital of our Company. However, the issued share capital of our Company will increase progressively depending on the quantum of Scheme Grants allocated, vested and exercised, and the number of new Pharmaniaga Shares to be issued pursuant thereto.

4.2. NA, NA per Share and gearing

For illustrative purposes, the pro forma effects of the Proposed Bonus Issue on the NA, NA per Share and gearing of our Group based on the latest audited consolidated statement of financial position of our Company as at 31 December 2020 are as follows:

Minimum Scenario

Group	Audited as at 31 December 2020 RM'000	After the Proposed Bonus Issue RM'000
Share capital	153,339	153,339
Reserves	184,189	(1) 183,939
Shareholders' funds / NA	337,528	337,278
No. of Shares in issue ('000)	261,706	(2) 1,308,529
NA per Share (RM)	1.29	0.26
Total interest-bearing borrowings	669,609	669,609
Gearing ratio (times)	1.98	1.98

Notes:

(1) After deducting the estimated expenses in relation to the Proposals of approximately RM250,000.

(2) After issuance of 1,046,822,928 Pharmaniaga Shares pursuant to the Proposed Bonus Issue.

Maximum Scenario

Group	(I)	(II)	After (II) and the Proposed Bonus Issue
	Audited as at 31 December 2020	After (I) and assuming the outstanding 293,000 Share Grants are vested and issued	
	RM'000	RM'000	RM'000
Share capital	153,339	⁽¹⁾ 154,520	154,520
Reserves	184,189	184,189	⁽²⁾ 183,939
Shareholders' funds / NA	337,528	338,709	338,459
No. of Shares in issue	261,706	⁽¹⁾ 261,999	⁽³⁾ 1,309,994
NA per Share (RM)	1.29	1.29	0.26
Total interest-bearing borrowings (RM)	669,609	669,609	669,609
Gearing ratio (times)	1.98	1.98	1.98

Notes:

(1) Assuming 293,000 Pharmaniaga Shares are issued pursuant to the vesting of the outstanding 293,000 Share Grants prior to the Entitlement Date based on the following computations:

	No. of Shares	Price RM	Total RM	Remarks
Outstanding Share Grants	293,000	4.03	1,180,790	Being the closing price as at the LPD

(2) After deducting the estimated expenses in relation to the Proposals of approximately RM250,000.

(3) After issuance of 1,047,994,928 Pharmaniaga Shares pursuant to the Proposed Bonus Issue.

The Proposed Allocation is not expected to have any immediate effect on the NA, NA per share and gearing of our Group until such time as and when the Pharmaniaga Shares are issued pursuant to the exercise of the Options or vesting of the Share Grants under the Proposed Allocation. Any potential effect on the NA per share and gearing of our Group can only be determined at the point of time, from time to time, when the Options are exercised based on the Option Price and/or when the Share Grants are vested.

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4.3. Earnings and EPS

The Proposed Bonus Issue does not have any effect on the earnings of our Group for the FYE 31 December 2020. However, there will be a corresponding dilution in the EPS of our Group for the FYE 31 December 2021 as a result of the increase in the number of Pharmaniaga Shares in issue arising from the Proposed Bonus Issue.

The Proposed Allocation is not expected to have any immediate effect on the earnings and EPS of our Group until such time when the Scheme Grants are granted and exercised/vested to our Group Managing Director. According to the MFRS 2 on Share Based Payments as issued by the Malaysian Accounting Standards Board, the vesting of the Scheme Grants requires the recognition of an expense which would affect the future earnings of the Pharmaniaga Group.

However, the extent of the effect of the Proposed Allocation on our consolidated earnings and EPS cannot be determined at this juncture as it would depend on various factors that affect the fair value of the Options and/or the market price of Pharmaniaga Shares as at the respective dates of Options and/or Share Grants (as the case may be).

Our Board has taken note of the potential impact of MFRS 2 on our Group's future earnings and shall take into consideration of such impact in the allocation of Scheme Grants to our Group Managing Director.

4.4. Substantial shareholders' shareholdings

The Proposed Bonus Issue will not have any effect on the percentage of shareholdings of our substantial shareholders as the Bonus Shares will be allotted on a pro-rata basis to all shareholders of our Company. Accordingly, the number of Pharmaniaga Shares held by each substantial shareholder will increase proportionately as a result of the Proposed Bonus Issue.

The pro forma effects of the Proposed Bonus Issue on our substantial shareholders' shareholdings based on our Company's Register of Substantial Shareholders as at the LPD are as follows:

Minimum Scenario

	As at the LPD		After the Proposed Bonus Issue	
	Direct	Indirect	Direct	Indirect
	'000	(1) %	'000	(2) %
BHB	146,110	55.83	730,552	55.83
LTAT	29,222	11.17	146,109	11.17
			(3) 730,552	55.83

Notes:

(1) Computed based on 261,705,732 Pharmaniaga Shares in issue.

(2) Computed based on 1,308,528,660 Pharmaniaga Shares in issue.

(3) Deemed interested by virtue of its shareholdings in BHB pursuant to Section 8 of the Act.

Maximum Scenario

	As at the LPD		Assuming the outstanding 293,000 Share Grants are vested and issued		After the Proposed Bonus Issue	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	'000	(1) %	'000	(2) %	'000	(3) %
BHB	146,110	55.83	-	55.77	730,552	55.77
LTAT	29,222	11.17	(4) 146,110	55.83	146,109	11.15
				(4) 55.77	(4) 730,552	55.77

Notes:

(1) Computed based on 261,705,732 Pharmaniaga Shares in issue.

(2) Computed based on 261,998,732 Pharmaniaga Shares in issue.

(3) Computed based on 1,309,993,660 Pharmaniaga Shares in issue.

(4) Deemed interested by virtue of its shareholdings in BHB pursuant to Section 8 of the Act.

The Proposed Allocation is not expected to have any immediate effect on the substantial shareholders' shareholding in our Company until such time when the allocated Scheme Grants are exercised or vested and issued, which will in turn result in a dilution in the respective shareholdings of the substantial shareholders.

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4.5. Existing convertible securities

Save for the outstanding 293,000 Share Grants granted under the Scheme, we do not have any other convertible securities as at the LPD.

Consequential to the Proposed Bonus Issue, the price and the number of the outstanding Share Grants, if any, which have not been vested and issued into new Pharmaniaga Shares prior to the Entitlement Date may be adjusted in accordance with the By-Laws. Any such adjustment will only be finalised on the Entitlement Date and will be effective on the next market day after the Entitlement Date, and the relevant notification will be despatched to the holders of the outstanding Share Grants at a later date.

5. HISTORICAL SHARE PRICES

The monthly high and low market prices of Pharmaniaga Shares as traded on the Main Market of Bursa Securities for the past twelve (12) months preceding the date of this Circular are as follows:

	<u>Low</u>	<u>High</u>
	<u>RM</u>	<u>RM</u>
<u>2020</u>		
May	1.75	2.51
June	2.20	2.64
July	2.22	4.55
August	4.01	5.96
September	4.01	5.63
October	4.53	5.50
November	4.79	5.75
December	5.00	5.61
<u>2021</u>		
January	4.88	5.28
February	4.16	4.93
March	3.26	4.33
April	3.18	3.52
Last transacted price of Pharmaniaga Shares on 6 May 2021 (being the latest date prior to the date of the Announcement)		3.39
Last transacted price of Pharmaniaga Shares as at the LPD		4.03

(Source: Bloomberg)

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6. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

Proposed Bonus Issue

- (i) Bursa Securities, for the listing of and quotation for up to 1,056,154,928 Bonus Shares to be issued on the Main Market of Bursa Securities pursuant to the Proposed Bonus Issue.

The approval from Bursa Securities for the Proposed Bonus Issue was obtained vide its letter dated 19 May 2021, and is subject to the following conditions:

<u>No.</u>	<u>Conditions</u>	<u>Status of compliance</u>
1.	Our Company and Affin Hwang IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;	To be complied
2.	Our Company and Affin Hwang IB to inform Bursa Securities upon completion of the Proposed Bonus Issue;	To be complied
3.	Our Company and Affin Hwang IB 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
4.	Our Company to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at a general meeting for the Proposed Bonus Issue; and	To be complied
5.	Our Company to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements in relation to the Proposed Bonus Issue.	To be complied

- (ii) our shareholders, at the forthcoming EGM to be convened; and

- (iii) approvals of any other relevant authorities and/or parties, if required.

Proposed By-Laws Amendment and Proposed Allocation

The Proposed By-Laws Amendment and Proposed Allocation are subject to the approval of our shareholders at the forthcoming EGM to be convened.

7. INTER-CONDITIONALITY

The Proposed Bonus Issue, Proposed By-Laws Amendment and Proposed Allocation are not conditional or inter-conditional upon each other or any other corporate proposals undertaken or to be undertaken by our Company, if any.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

8.1. Proposed Bonus Issue

None of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, either direct or indirect, in the Proposed Bonus Issue, apart from their respective entitlements under the Proposed Bonus Issue as shareholders of our Company, to which all our other shareholders are similarly entitled.

8.2. Proposed By-Laws Amendment

None of our Directors, major shareholders, chief executive and/or persons connected with them, have any interest, direct or indirect in the Proposed By-Laws Amendment.

8.3. Proposed Allocation

Our Group Managing Director, namely Datuk Zulkarnain Md Eusope, is an interested party in the Proposed Allocation and he has abstained and shall abstain from all Board deliberations and voting on the Proposed Allocation.

As at the LPD, our Group Managing Director does not hold any Pharmaniaga Shares. Nevertheless, our Group Managing Director shall also abstain from voting in respect of his direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Allocation, at the forthcoming EGM to be convened. He has undertaken to ensure that any persons connected with him will abstain from voting (in respect of their direct and/or indirect shareholdings in our Company, if any) on the resolution pertaining to the Proposed Allocation, at the forthcoming EGM to be convened.

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

9. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Bonus Issue and Proposed By-Laws Amendment including but not limited to the rationale and effects of the Proposed Bonus Issue and Proposed By-Laws Amendment, is of the opinion that the Proposed Bonus Issue and Proposed By-Laws Amendment are in the best interest of our Company and our shareholders.

After having considered all aspects of the Proposed Allocation including but not limited to the rationale and effects of the Proposed Allocation, our Board (excluding the Group Managing Director) is of the opinion that the Proposed Allocation is in the best interest of our Company and our shareholders.

Accordingly, our Board (save for the Group Managing Director who has abstained from expressing any recommendation on the Proposed Allocation) recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the EGM to be convened.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained from the relevant authorities and/or parties, the Proposed Bonus Issue and the Proposed By-Laws Amendment are expected to be completed by 3rd quarter of 2021.

The tentative timetable for the implementation of the Proposed Bonus Issue is as follows:

Events	Date
EGM	16 June 2021
Announcement of the Entitlement Date	Mid June 2021
Entitlement Date	Early July 2021
Listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities	Early July 2021

11. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, our Board confirms that there is no other outstanding corporate exercise which has been announced but pending completion as at the LPD.

12. EGM

The EGM of our Company will be conducted entirely through live streaming from the broadcast venue at Royale Chulan Kuala Lumpur, 5, Jalan Conlay, 50450 Kuala Lumpur on Wednesday, 16 June 2021, at 11:00 a.m. or immediately after the conclusion or adjournment of (as the case may be) of our Company's Twenty-Third (23rd) Annual General Meeting which will be held at the same venue on the same day at 9:00 a.m., whichever is the later, for the purpose of considering and if thought fit, passing among others the ordinary resolutions to approve the Proposals as set out in Notice of EGM enclosed.

The venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

13. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
PHARMANIAGA BERHAD

Dato' Sri Mohammed Shazalli Bin Ramly
Non-Independent Non-Executive Chairman

PROPOSED BY-LAWS AMENDMENT

The Proposed By-Laws Amendment are as follows:

Clause	Original By-Laws	Amended By-Laws
1.1 (b)	"Adviser" means a corporate finance adviser that may act as a principal adviser under the SC's Guidelines on Principal Advisers for Corporate Proposals (as amended from time to time).	"Adviser" means a corporate finance adviser that may act as a principal adviser under the SC's Guidelines on Principal Advisers for Corporate Proposals (as amended from time to time), as defined under the SC's Licensing Handbook.
1.1 (i)	"Bursa Depository" means Bursa Malaysia Depository Sdn. Bhd. (165570-W).	"Bursa Depository" means Bursa Malaysia Depository Sdn. Bhd. (Registration No.: 198701006854 (165570-W)).
1.1 (j)	"Bursa Securities" means Bursa Malaysia Securities Berhad (635998-W).	"Bursa Securities" means Bursa Malaysia Securities Berhad (Registration No.: 20030103357Z (635998-W)).
1.1 (o)	"Companies Act" means the Companies Act, 1965, as amended from time to time.	"Companies Act" means the Companies Act, 1965-2016, as amended from time to time.
1.1 (t)	<p>"Eligible Person" means:</p> <p>(i) In respect of the Option Plan:</p> <p>(A) a selected Senior Management Officer of a Group Member;</p> <p>(B) an Executive Director of the Company; or</p> <p>(C) a Non-Executive Director of the Company; and</p> <p>(ii) In respect of the LTIP:</p> <p>(A) a selected Senior Management Officer of a Group Member; or</p> <p>(B) an Executive Director of the Company; and</p> <p>"Eligible Persons" shall be construed accordingly.</p>	<p>"Eligible Person" means:</p> <p>(i) In respect of the Option Plan:</p> <p>(A) a selected Senior Management Officer an employee of a Group Member;</p> <p>(B) an Executive Director of the Company; or</p> <p>(C) a Non-Executive Director of the Company; and</p> <p>(ii) In respect of the LTIP:</p> <p>(A) a selected Senior Management Officer an employee of a Group Member; or</p> <p>(B) an Executive Director of the Company; and</p> <p>"Eligible Persons" shall be construed accordingly.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
1.1 (p)	"Company" means Pharmedia Berhad (467709-M).	"Company" means Pharmedia Berhad (Registration No.: 199801011581 (467709-M)).
1.1 (xx)	"Senior Management Officer" means an employee of a Group Member occupying the position of a deputy general manager or above, as determined by the Scheme Committee.	"Senior Management Officer" means an employee of a Group Member occupying the position of a deputy general manager or above, as determined by the Scheme Committee.
3.1	Subject to clause 3.2, and subject to any adjustment as may be required to the relevant numbers of Shares pursuant to Schedule 1, the maximum number of Shares which may be made available under the Scheme shall not, when aggregated with the total number of new Shares allotted and issued and/or to be allotted and issued under any other scheme involving new issuance of Shares which may be implemented from time to time by the Company, exceed 15% of the then issued and paid-up share capital (excluding treasury shares) of the Company at any such point of time, from time to time, during the Scheme Period (" Maximum Shares Available ").	Subject to clause 3.2, and subject to any adjustment as may be required to the relevant numbers of Shares pursuant to Schedule 1, the maximum number of Shares which may be made available under the Scheme shall not, when aggregated with the total number of new Shares allotted and issued and/or to be allotted and issued under any other scheme involving new issuance of Shares which may be implemented from time to time by the Company, exceed 15.5% of the then issued and paid-up share capital (excluding treasury shares) of the Company at any such point of time, from time to time, during the Scheme Period (" Maximum Shares Available ").
3.2	In the event that the Company purchases or cancels its own shares in accordance with the provisions of section 67A of the Companies Act or otherwise howsoever, or undertakes any other corporate proposal resulting in a reduction of its issued and paid-up ordinary share capital, the following provisions shall apply in respect of future Offers (provided that all the valid Offers which are pending acceptance, and Awards that have not been vested and/or reduction of the issued and/or reduction of the Company shall remain valid in accordance with the provisions of the Scheme as if that reduction had not occurred): (a) if, after such purchase, cancellation or reduction, the aggregate number of Shares comprised in all the valid Offers which are pending acceptance, Awards that have not been vested and/or Awards that have been vested (" Aggregate Shares ") as of the date of purchase, cancellation or reduction of shares is greater	In the event that the Company purchases or cancels its own shares in accordance with the provisions of section 67A Section 127 of the Companies Act or otherwise howsoever, or undertakes any other corporate proposal resulting in a reduction of its issued and paid-up ordinary share capital, the following provisions shall apply in respect of future Offers (provided that all the valid Offers which are pending acceptance, and Awards that have not been vested and/or Awards that have been vested, prior to such purchase and/or reduction of the issued and paid-up ordinary share capital of the Company shall remain valid in accordance with the provisions of the Scheme as if that reduction had not occurred): (a) if, after such purchase, cancellation or reduction, the aggregate number of Shares comprised in all the valid Offers which are pending acceptance, Awards that have not been vested and/or Awards that have been vested (" Aggregate Shares ") as of the

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>than the Maximum Shares Available, no further Offers shall be made by the Scheme Committee until the Aggregate Shares falls below the Maximum Shares Available; or</p> <p>(b) if, after such purchase, cancellation or reduction, the Aggregate Shares is less than the Maximum Shares Available, the Scheme Committee may make further Offers provided that the aggregate number of Shares comprised in the Aggregate Shares and the future Offers is equivalent to the Maximum Shares Available after such purchase, cancellation or reduction.</p>	<p>date of purchase, cancellation or reduction of shares is greater than the Maximum Shares Available, no further Offers shall be made by the Scheme Committee until the Aggregate Shares falls below the Maximum Shares Available; or</p> <p>(b) if, after such purchase, cancellation or reduction, the Aggregate Shares is less than the Maximum Shares Available, the Scheme Committee may make further Offers provided that the aggregate number of Shares comprised in the Aggregate Shares and the future Offers is equivalent to the Maximum Shares Available after such purchase, cancellation or reduction.</p>
4.1	<p>Subject to any adjustment which may be made under Schedule 1, the aggregate maximum number of Shares that may be allocated:</p> <p>(a) between the Option Plan and the LTIP; and</p> <p>(b) to any one category or designation of Eligible Person;</p> <p>shall be determined by the Scheme Committee, on an annual basis, provided that:</p> <p>(i) the allocation to any individual Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital of the Company, shall not exceed 10% of the Maximum Shares Available; and</p> <p>(ii) the value of the allocation per year to the Eligible Persons under the LTIP shall not exceed 6% of the audited profit after tax of the Group for the preceding financial year.</p>	<p>Subject to any adjustment which may be made under Schedule 1, the aggregate maximum number of Shares that may be allocated:</p> <p>(a) between the Option Plan and the LTIP; and</p> <p>(b) to any one category or designation of Eligible Person;</p> <p>shall be determined by the Scheme Committee, on an annual basis, provided that:</p> <p>(i) the allocation to any individual Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with that Eligible Person, holds 20% or more of the issued and paid-up ordinary share capital <u>shares (excluding treasury shares)</u> of the Company, shall not exceed 10% of the Maximum Shares Available;</p> <p>(ii) the value of the allocation per year to the Eligible Persons under the LTIP shall not exceed 6% of the audited profit after tax of the Group for the preceding financial year;<u>i</u>; and</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
		<p>(iii) not more than 65% of the total number of Pharmaniaga Shares to be issued under the Scheme may be allocated, in aggregate, to the Directors and senior management of the Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the Scheme Committee from time to time).</p>
9.1	<p>Subject to any adjustment which may be made under Schedule 1, the Option Price shall be determined based on the volume weighted average market price of the Shares for the five Market Days immediately preceding the date of the Option Offer, subject to a discount of not more than 10% of the foregoing, but the final determined price of which shall not in any way be less than the par value of the Shares.</p>	<p>Subject to any adjustment which may be made under Schedule 1, the Option Price shall be determined based on the volume weighted average market price of the Shares for the five Market Days immediately preceding the date of the Option Offer, subject to a discount of not more than 10% of the foregoing, but the final determined price of which shall not in any way be less than the par value of the Shares.</p>
18.1	<p>Subject to clause 18.2, new Shares to be allotted and issued pursuant to the vesting of the Shares under the Scheme, shall, upon the allotment and issue:</p> <p>(a) be subject to the relevant provisions in the memorandum and articles of association of the Company, including (without limitation), the provision in relation to their transfer, transmission or otherwise; and</p> <p>(b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date on which the Shares are credited into the CDS Accounts of the Scheme Participants; and</p> <p>(c) rank pari passu in all other respects with the other then existing Shares of the Company.</p>	<p>Subject to clause 18.2, new Shares to be allotted and issued pursuant to the vesting of the Shares under the Scheme, shall, upon the allotment and issue:</p> <p>(a) be subject to the relevant provisions in the <u>constitution</u> memorandum and articles of association of the Company, including (without limitation), the provision in relation to their transfer, transmission or otherwise; and</p> <p>(b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date on which the Shares are credited into the CDS Accounts of the Scheme Participants; and</p> <p>(c) rank pari passu in all other respects with the other then existing Shares of the Company.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
18.2	<p>The Scheme Participant shall not be entitled to any dividend, right, allotment, entitlement and/or any other distribution:</p> <p>(a) attached to the Shares prior to the date on which the Shares are credited into the Scheme Participants' respective CDS Accounts; and/or</p> <p>(b) which may be declared, made or paid to the Company's shareholders, for which the book closure date is prior to the date on which the Shares are credited into the CDS Account of that Scheme Participant.</p> <p>For the purposes of this clause 18, "book closure date" shall mean the date as of the close of business on a shareholder of the Company must be registered as a member and whose name must appear in the record of depositors maintained at Bursa Depository in order to be entitled to any dividend, right, allotment, entitlement and/or any other distribution.</p>	<p>The Scheme Participant shall not be entitled to any dividend, right, allotment, entitlement and/or any other distribution:</p> <p>(a) attached to the Shares prior to the date on which the Shares are credited into the Scheme Participants' respective CDS Accounts; and/or</p> <p>(b) which may be declared, made or paid to the Company's shareholders, for which the book-closure-date <u>books closing date</u> is prior to the date on which the Shares are credited into the CDS Account of that Scheme Participant.</p> <p>For the purposes of this clause 18, "book-closure-date <u>books closing date</u>" shall mean the date as of the close of business on a shareholder of the Company must be registered as a member and whose name must appear in the record of depositors maintained at Bursa Depository in order to be entitled to any dividend, right, allotment, entitlement and/or any other distribution.</p>
31	<p>ARTICLES OF ASSOCIATION</p> <p>31.1 Notwithstanding the terms and conditions contained in the Scheme, if a situation of conflict should arise between the Scheme and the articles of association of the Company, the provisions of the articles of association of the Company shall prevail at all times.</p>	<p><u>CONSTITUTION OF THE COMPANY ARTICLES OF ASSOCIATION</u></p> <p>31.1 Notwithstanding the terms and conditions contained in the Scheme, if a situation of conflict should arise between the Scheme and the articles of-association <u>constitution</u> of the Company, the provisions of the constitution <u>articles-of-association</u> of the Company shall prevail at all times.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
38.1	<p>The Scheme, these By-Laws, all Offers, all Awards made and granted, and all decisions and actions taken under the Scheme shall be governed by and construed in accordance with Malaysian law. The Scheme Participant, by accepting the Offer in accordance with these By-Laws, the terms of the Scheme and the articles of association of the Company, irrevocably submits to the exclusive jurisdiction of the Malaysian courts.</p>	<p>The Scheme, these By-Laws, all Offers, all Awards made and granted, and all decisions and actions taken under the Scheme shall be governed by and construed in accordance with Malaysian law. The Scheme Participant, by accepting the Offer in accordance with these By-Laws, the terms of the Scheme and the articles of association constitution of the Company, irrevocably submits to the exclusive jurisdiction of the Malaysian courts.</p>
<p>Schedule 1, Section 3</p>	<p>The alterations set forth in section 2 of Schedule 1 shall be in such a manner as to give the Selected Person a fair and reasonable Award entitlement, as certified in writing (other than for adjustments made pursuant to a bonus issue) by the external auditor or Adviser to the Company (acting as an expert and not as an arbitrator) as being in its opinion fair and reasonable and such certification shall be final and binding in all respects, provided that:</p> <p>(a) upon any adjustment being made pursuant to section 2 of Schedule 1, the Scheme Committee shall notify the Selected Person (or his personal representatives, where applicable) in writing of:</p> <p>(i) the adjusted number of Shares comprised in an Option pursuant to the Award, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in the Option pursuant to the Award, such Option of which may be exercised in an Option Period which supersedes the earlier Award; or</p> <p>(ii) the adjusted number of Shares comprised in the Award, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in the Award, that may vest at any time or in any period which supersedes the earlier Award.</p>	<p>The alterations set forth in section 2 of Schedule 1 shall be in such a manner as to give the Selected Person a fair and reasonable Award entitlement, as certified in writing (other than for adjustments made pursuant to a bonus issue) by the external auditor or Adviser to the Company (acting as an expert and not as an arbitrator) as being in its opinion fair and reasonable and such certification shall be final and binding in all respects, provided that:</p> <p>(a) upon any adjustment being made pursuant to section 2 of Schedule 1, the Scheme Committee shall notify the Selected Person (or his personal representatives, where applicable) in writing of:</p> <p>(i) the adjusted number of Shares comprised in an Option pursuant to the Award, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in the Option pursuant to the Award, such Option of which may be exercised in an Option Period which supersedes the earlier Award; or</p> <p>(ii) the adjusted number of Shares comprised in the Award, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in the Award, that may vest at any time or in any period which supersedes the earlier Award.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>(b) in the event that a fraction of a Share arising from the adjustments referred to in section 2 of Schedule 1 would otherwise be required to be issued upon the vesting of Shares comprised in an Award, the Selected Person's entitlement shall be rounded to the nearest whole number.</p> <p>Unless otherwise determined by the Scheme Committee, the adjustments pursuant to section 2 of Schedule 1 shall be effective on the day immediately following the book closure date for the event giving rise to that adjustment.</p>	<p>(b) in the event that a fraction of a Share arising from the adjustments referred to in section 2 of Schedule 1 would otherwise be required to be issued upon the vesting of Shares comprised in an Award, the Selected Person's entitlement shall be rounded to the nearest whole number.</p> <p>Unless otherwise determined by the Scheme Committee, the adjustments pursuant to section 2 of Schedule 1 shall be effective on the day immediately following the book-closure-date<u>books closing date</u> for the event giving rise to that adjustment.</p>
<p>Schedule 1, Section 5(a)</p>	<p>If and whenever a Share, by reason of any consolidation or subdivision or conversion shall have a different par value, then the Option Price and/or Share Grant Price shall be adjusted and the additional number of Shares comprised in an Award shall be calculated in accordance with the following formula:</p>	<p>If and whenever a Share, by reason of any consolidation or subdivision (including if so permitted by the relevant authorities, a subdivision by way of a bonus issue by the Company of Shares without capitalisation of profits or reserves) or conversion shall have a different par value occurs, then the Option Price and/or Share Grant Price shall be adjusted and the additional number of Shares comprised in an Award shall be calculated in accordance with the following formula:</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>(i) $\text{New Option Price} = P \times \frac{\text{Revised Par Value}}{\text{Former Par Value}}$</p> <p>(ii) $\text{New Share Grant Price} = P \times \frac{\text{Revised Par Value}}{\text{Former Par Value}}$</p> <p>(iii) $\text{Additional number of Shares} = T \times \frac{\text{Former Par Value} - T}{\text{Revised Par Value}}$</p> <p>where:</p> <p>(1) "P" means existing Option Price or Share Grant Price.</p> <p>(2) "T" means existing number of Shares comprised in an Award.</p>	<p>(i) $\frac{\text{New Option Price}}{\text{New Share Grant Price}} = P \times \frac{\text{Revised Par Value S x L}}{\text{Former Par Value M}}$</p> <p>(ii) $\text{New Share Grant Price} = P \times \frac{\text{Revised Par Value}}{\text{Former Par Value}}$</p> <p>(iii) $\text{Additional number of Shares} = T \times \frac{\text{Former Par Value I x M} - T}{\text{Revised Par Value L}}$</p> <p>where:</p> <p>(1) "P" means existing Option Price or Share Grant Price.</p> <p>(2) "T" means existing number of Shares comprised in an Award.</p> <p>(1) "L" means the aggregate number of Shares in issue immediately prior to the consolidation or subdivision or conversion; and</p> <p>(2) "M" means the aggregate number of Shares in issue immediately after such consolidation or subdivision or conversion; and</p> <p>(3) "S" means existing Option Price / Share Grant Price; and</p> <p>(4) "I" means existing number of Shares relating to the Option/ Share Grant.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>Notwithstanding the foregoing, no adjustment to the Option Price and/or the number of Shares comprised in the Options shall be made or be applicable in respect of any par value reduction exercise undertaken by the Company which does not result in any change to the existing number of Shares in issue.</p> <p>If however due to any change in law, par value is no longer legally required to be ascribed to the share capital of the Company, the Option Price shall be adjusted in such manner as the Scheme Committee shall determine or deem fit as shall be compliant with the law then applicable.</p> <p>Each such adjustment will be effective from the close of business on the Market Day immediately preceding the date in which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities at the new par value), or such other period as may be prescribed by Bursa Securities.</p>	<p>Notwithstanding the foregoing, no adjustment to the Option Price and/or the number of Shares comprised in the Options shall be made or be applicable in respect of any par value reduction exercise undertaken by the Company which does not result in any change to the existing number of Shares in issue.</p> <p>If however due to any change in law, par value is no longer legally required to be ascribed to the share capital of the Company, the Option Price shall be adjusted in such manner as the Scheme Committee shall determine or deem fit as shall be compliant with the law then applicable.</p> <p>Each such adjustment will be effective from the close of business on the Market Day immediately preceding the date in which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities at the new par value), or such other period as may be prescribed by Bursa Securities.</p>
<p>Schedule 1, Section 5(b)</p>	<p>If and whenever the Company shall make any issue of Shares to its ordinary shareholders of the Company credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund):</p> <p>(i) the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:</p> $\frac{A}{A + B}$ <p>(ii) and the additional number of Shares comprised in the respective Award shall be calculated as follows:</p>	<p>If and whenever the Company shall make any issue of Shares to its ordinary shareholders of the Company for which no consideration is payable or which are credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income in nature or other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares and including any share premium account and capital redemption reserve fund):</p> <p>(i) the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:</p> $\frac{A}{A + B}$ <p>(ii) and the additional number of Shares comprised in the respective Award shall be calculated as follows:</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>Additional number of Shares = $T \times \frac{A + B}{A} - T$</p> <p>where:</p> <p>(1) "A" means the aggregate number of issued and fully paid-up Shares immediately before such bonus issue or capitalisation issue.</p> <p>(2) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund).</p> <p>(3) "T" means the existing number of Shares comprised in an Award.</p> <p>Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for such issue.</p>	<p>Additional number of Shares = $T \times \frac{A + B}{A} - T$</p> <p>where:</p> <p>(1) "A" means the aggregate number of issued and fully paid-up Shares <u>on the books closing date immediately before such bonus issue of capitalisation issue.</u></p> <p>(2) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (other than an issue of Shares to is members who had an option to take cash or other dividend in lieu of the relevant Shares <u>whether of a capital or income in nature and including any share premium account and capital redemption reserve fund).</u></p> <p>(3) "T" means the existing number of Shares comprised in an Award.</p> <p>Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the <u>book closure date books closing date</u> for such issue.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
<p>Schedule 1, Section 5(c)</p>	<p>If and whenever the Company shall make:</p> <p>(i) a Capital Distribution (as defined in section 5(h)(i) of this Schedule 1) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);</p> <p>(ii) any offer or invitation to ordinary shareholders pursuant to which they may acquire or subscribe new Shares by way of rights; or</p> <p>(iii) any offer or invitation to ordinary shareholders by way of rights pursuant to which they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto;</p> <p>then and in respect of each such case:</p> <p>(A) the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:</p> $\frac{C - D}{C}$ <p>(B) and in respect of the circumstance referred to in section 5(c)(ii) of this Schedule 1, the number of additional Shares to be comprised in an Award shall be calculated as follows:</p> $\text{Additional number of Shares} = T \times \frac{C}{C - D^*} - T$	<p>If and whenever the Company shall make:</p> <p>(i) a Capital Distribution (as defined in section 5(h)(i) of this Schedule 1) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any capital reduction involving cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own Shares in accordance with the Act and all other applicable laws and regulations);</p> <p>(ii) any offer or invitation to ordinary shareholders pursuant to which they may acquire or subscribe new Shares by way of rights; or</p> <p>(iii) any offer or invitation to ordinary shareholders by way of rights pursuant to which they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto;</p> <p>then and in respect of each such case:</p> <p>(A) the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:</p> $\frac{C - D}{C}$ <p>(B) and in respect of the circumstance referred to in section 5(c)(ii) of this Schedule 1, the number of additional Shares to be comprised in an Award shall be calculated as follows:</p> $\text{Additional number of Shares} = T \times \frac{C}{C - D^*} - T$

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>where:</p> <p>(1) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p> <p>(2) "D" means:</p> <p>(aa) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under section 5(c)(ii) of this Schedule 1 or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under section 5(c)(iii) of this Schedule 1, the value of rights attributable to a Share; or</p> <p>(bb) in the case of any other transaction falling under section 5(c) of this Schedule 1, the fair market value, as determined by an external auditor and/or Adviser of the Company, of that portion of the Capital Distribution attributable to a Share.</p> <p>For the purpose of the definition of "D" under the foregoing paragraph (aa), the value of the rights attributable to a Share shall be calculated as follows:</p> $\frac{C - E}{F + 1}$	<p>where:</p> <p>(1) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p> <p>(2) "D" means:</p> <p>(aa) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under section 5(c)(ii) of this Schedule 1 or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under section 5(c)(iii) of this Schedule 1, the value of rights attributable to a Share; or</p> <p>(bb) in the case of any other transaction falling under section 5(c) of this Schedule 1, the fair market value, as determined by an external auditor and/or Adviser of the Company, of that portion of the Capital Distribution attributable to a Share.</p> <p>For the purpose of the definition of "D" under the foregoing paragraph (aa), the value of the rights attributable to a Share shall be calculated as follows:</p> $\frac{C - E}{F + 1}$

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>where: (AA) "C"</p> <p>means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;</p>	<p>where: (AA) "C"</p> <p>means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;</p>
	<p>(BB) "E"</p> <p>means the subscription price for one additional Share under the terms of such offer or invitation or subscription price for one additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for a Share under the offer of invitation;</p>	<p>(BB) "E"</p> <p>means the subscription price for one additional Share under the terms of such offer or invitation or subscription price for one additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for a Share under the offer of invitation;</p>
	<p>(CC) "F"</p> <p>means the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one additional Share or security convertible into rights to acquire or subscribe for one additional Share; and</p>	<p>(CC) "F"</p> <p>means the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one additional Share or security convertible into rights to acquire or subscribe for one additional Share; and</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>(3) "D**" means the value of rights attributable to a Share. For the purpose of this definition of "D**", the value of rights attributable to a Share shall be calculated as follows:</p> $\frac{C - E^*}{F^* + 1}$ <p>where:</p> <p>(AA) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p> <p>(BB) "E**" means the subscription price for one additional share under the terms of such offer or invitation to acquire or subscribe for Shares.</p> <p>(CC) "F**" means the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one additional Share.</p>	<p>(3) "D**" means the value of rights attributable to a Share. For the purpose of this definition of "D**", the value of rights attributable to a Share shall be calculated as follows:</p> $\frac{C - E^*}{F^* + 1}$ <p>where:</p> <p>(AA) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p> <p>(BB) "E**" means the subscription price for one additional share under the terms of such offer or invitation to acquire or subscribe for Shares.</p> <p>(CC) "F**" means the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one additional Share.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>(4) "T" means the existing number of Shares comprised in an Award.</p> <p>Such adjustments will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.</p>	<p>(4) "T" means the existing number of Shares comprised in an Award.</p> <p>Such adjustments will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date <u>books closing date</u> for the above transactions.</p>
<p>Schedule 1, Section 5(d)</p>	<p>If and whenever the Company makes an allotment to its ordinary shareholders as provided under section 5(b) of this Schedule 1 and:</p> <p>(i) also makes an offer or invitation to its ordinary shareholders as provided under section 5(c)(ii) or (iii) of this Schedule 1 and the record date for the purpose of the allotment is also books closure date for the purpose of the offer or invitation, the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:</p> $\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$ <p>(ii) also makes an offer or invitation to its ordinary shareholders as provided under section 5(c)(ii) of this Schedule 1 and the record date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the additional number of Shares to be comprised in an Award shall be calculated as follows:</p>	<p>If and whenever the Company makes an allotment to its ordinary shareholders as provided under section 5(b) of this Schedule 1 and:</p> <p>(i) also makes an offer or invitation to its ordinary shareholders as provided under section 5(c)(ii) or (iii) of this Schedule 1 and the record date for the purpose of the allotment is also books closure date for the purpose of the offer or invitation, the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:</p> $\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$ <p>(ii) also makes an offer or invitation to its ordinary shareholders as provided under section 5(c)(ii) of this Schedule 1 and the record date for the purpose of the allotment is also the book closure date <u>books closing date</u> for the purpose of the offer or invitation, the additional number of Shares to be comprised in an Award shall be calculated as follows:</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>(A) Additional number of Shares to be comprised in an Award of Option = $T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$</p> <p>(B) Additional number of Shares to be comprised in an Award of Share Grant = $T \times \frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$</p> <p>where:</p> <p>(1) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund).</p> <p>(2) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p> <p>(3) "G" means the aggregate number of issued and fully paid-up Shares on the book closure date.</p>	<p>(A) Additional number of Shares to be comprised in an Award of Option = $T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$</p> <p>(B) Additional number of Shares to be comprised in an Award of Share Grant = $T \times \frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$</p> <p>where:</p> <p>(1) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund).</p> <p>(2) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p> <p>(3) "G" means the aggregate number of issued and fully paid-up Shares on the book closure date <u>books closing date</u>.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	(4) "H" means 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.	(4) "H" means 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.
	(5) "H*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.	(5) "H*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.
	(6) "I" means the subscription price of one 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 additional Share as the case may be.	(6) "I" means the subscription price of one 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 additional Share as the case may be.
	(7) "I*" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.	(7) "I*" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.
	(8) "J" means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.	(8) "J" means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.
	(9) "K" means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.	(9) "K" means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.
	(10) "T" means the existing number of Shares comprised in an Award. Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for such issue.	(10) "T" means the existing number of Shares comprised in an Award. Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book-closure-date <u>books closing date</u> for such issue.

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
<p>Schedule 1, Section 5(e)</p>	<p>If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under section 5(c)(ii) of this Schedule 1 together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares as provided under section 5(c)(iii) of this Schedule 1:</p> <p>(i) the Option Price and/or Share Grant Price shall be by multiplying it by the following fraction: $\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$</p> <p>(ii) and the additional number of Shares comprises in an Award shall be calculated as follows:</p> <p>(A) Additional number of Shares to be comprised in an Award of Share Option = $T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$</p> <p>(B) Additional number of Shares to be comprised in an Award of Share Grant = $T \times \frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$</p>	<p>If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under section 5(c)(ii) of this Schedule 1 together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares as provided under section 5(c)(iii) of this Schedule 1:</p> <p>(i) the Option Price and/or Share Grant Price shall be by multiplying it by the following fraction: $\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$</p> <p>(ii) and the additional number of Shares comprises in an Award shall be calculated as follows:</p> <p>(A) Additional number of Shares to be comprised in an Award of Share Option = $T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$</p> <p>(B) Additional number of Shares to be comprised in an Award of Share Grant = $T \times \frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>where;</p>	<p>where;</p>
	<p>(1) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p>	<p>(1) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p>
	<p>(2) "G" means the aggregate number of issued and fully paid-up Shares on the book closure date.</p>	<p>(2) "G" means the aggregate number of issued and fully paid-up Shares on the book-closure-date <u>books closing date</u>.</p>
	<p>(3) "H" means 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.</p>	<p>(3) "H" means 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.</p>
	<p>(4) "H*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.</p>	<p>(4) "H*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.</p>
	<p>(5) "I" means the subscription price of one 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 additional Share as the case may be.</p>	<p>(5) "I" means the subscription price of one 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 additional Share as the case may be.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>(6) "I*" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.</p> <p>(7) "J" means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.</p> <p>(8) "K" means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.</p> <p>(9) "T" means the existing number of Shares comprised in an Award.</p> <p>Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for the foregoing transactions.</p>	<p>rights to acquire or subscribe for one additional Share as the case may be.</p> <p>(6) "I*" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.</p> <p>(7) "J" means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.</p> <p>(8) "K" means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.</p> <p>(9) "T" means the existing number of Shares comprised in an Award.</p> <p>Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date <u>books closing date</u> for the foregoing transactions.</p>
Schedule 1, Section 5(f)	<p>If and whenever the Company makes an allotment to its ordinary shareholders as provided under section 5(b) of this Schedule 1 and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under section 5(c)(ii) of this Schedule 1, together with rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as provided under section 5(c)(iii) of this Schedule 1, and the record date for the purpose of allotment is also the book closure for the purpose of the offer or invitation:</p>	<p>If and whenever the Company makes an allotment to its ordinary shareholders as provided under section 5(b) of this Schedule 1 and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under section 5(c)(ii) of this Schedule 1, together with rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as provided under section 5(c)(iii) of this Schedule 1, and the record date for the purpose of allotment is also the book closure for the purpose of the offer or invitation:</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>(i) the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:</p>	<p>(i) the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:</p>
	$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$	$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$
	<p>(ii) and the additional number of Shares comprises in an Award shall be calculated as follows:</p>	<p>(ii) and the additional number of Shares comprises in an Award shall be calculated as follows:</p>
	<p>(A) Additional number of Shares to be comprised in an Award of Option</p>	<p>(A) Additional number of Shares to be comprised in an Award of Option</p>
	$= T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} - T$	$= T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} - T$
	<p>(B) Additional number of Shares to be comprised in an Award of Share Grant</p>	<p>(B) Additional number of Shares to be comprised in an Award of Share Grant</p>
	$= T \times \frac{(G + H^* + J + B) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$	$= T \times \frac{(G + H^* + J + B) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$
	<p>(1) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund).</p>	<p>(1) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature and including any share premium account and capital redemption reserve fund).</p>
	<p>(2) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p>	<p>(2) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	(3) "G" means the aggregate number of issued and fully paid-up Shares on the book closure date.	(3) "G" means the aggregate number of issued and fully paid-up Shares on the book-closure-date <u>books closing date</u> .
	(4) "H" means 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.	(4) "H" means 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.
	(5) "H*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.	(5) "H*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.
	(6) "I" means the subscription price of one 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 additional Share as the case may be.	(6) "I" means the subscription price of one 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 additional Share as the case may be.
	(7) "I*" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.	(7) "I*" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.
	(8) "J" means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.	(8) "J" means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.
	(9) "K" means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.	(9) "K" means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.
	(10) "T" means the existing number of Shares comprised in an Award.	(10) "T" means the existing number of Shares comprised in an Award.
	Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book closure date for the foregoing transactions.	Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the book-closure-date <u>books closing date</u> for the foregoing transactions.

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
Schedule 1, Section 5(h)	<p>In this section 5 of Schedule 1, the following definitions apply:</p> <p>(i) For the purpose of section 5(c) of this Schedule 1, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (not falling under section 5(b) of this Schedule 1) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income in nature and 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 in the event the net dividend amount per share declared or provided for at any given time is more than 10% of the five day weighted average market price of the Shares immediately prior to the announcement of the dividend.</p> <p>(ii) For the purpose of section 5(g) of this Schedule 1, "Total Effective Consideration" shall be determined by the Board with the concurrence of an external auditor and/or Adviser of the Company and shall be:</p> <p>(1) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;</p> <p>(2) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or</p>	<p>In this section 5 of Schedule 1, the following definitions apply:</p> <p>(i) For the purpose of section 5(c) of this Schedule 1, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (not falling under section 5(b) of this Schedule 1) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income in nature and 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 in the event the net dividend amount per share declared or provided for at any given time is more than 10% of the five day weighted average market price of the Shares immediately prior to the announcement of the dividend.</p> <p>(ii) For the purpose of section 5(g) of this Schedule 1, "Total Effective Consideration" shall be determined by the Board with the concurrence of an external auditor and/or Adviser of the Company and shall be:</p> <p>(1) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;</p> <p>(2) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or</p>

PROPOSED BY-LAWS AMENDMENT (CONT'D)

Clause	Original By-Laws	Amended By-Laws
	<p>(3) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;</p> <p>in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.</p> <p>(iii) For the purpose of section 5(g) of this Schedule 1, the "Average Price" of a Share shall be the average price of a Share as derived from the last dealt prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.</p> <p>(iv) For the purpose of section 5(c), (d), (e) and (f), the "Current Market Price" in relation to a Share for any relevant day shall be the weighted average market price for the five consecutive Market Days before such date.</p>	<p>(3) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;</p> <p>in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.</p> <p>(iii) For the purpose of section 5(g) of this Schedule 1, the "Average Price" of a Share shall be the average price of a Share as derived from the last dealt prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.</p> <p>(iv) For the purpose of section 5(c), (d), (e) and (f), the "Current Market Price" in relation to a Share for any relevant day shall be the weighted average market price for the five consecutive Market Days before such date.</p>

DRAFT AMENDED BY-LAWS

**BY-LAWS
OF
PHARMANIAGA BERHAD SHARE ISSUANCE SCHEME**

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:

- (a) "Acquirer" is as defined in clause 12.
- (b) "Adviser" means a principal adviser as defined under the SC's Licensing Handbook.
- (c) "Affected Employee" is as defined in clause 27.
- (d) "Aggregate Shares" is as defined in clause 3.2.
- (e) "Award" means an Offer which has been accepted by a Selected Person, and "Awards" shall be construed accordingly.
- (f) "Average Price" is as defined in section 5(h)(iii) of Schedule 1.
- (g) "Award Date" means the date of an Award.
- (h) "Board" means the Board of Directors of the Company.
- (i) "Bursa Depository" means Bursa Malaysia Depository Sdn. Bhd. (Registration No.: 198701006854 (165570-W)).
- (j) "Bursa Securities" means Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)).
- (k) "By-Laws" means these By-Laws governing the Scheme, as amended, modified and/or supplemented from time to time.
- (l) "Capital Distribution" is as defined in section 5(h)(i) of Schedule 1.
- (m) "CDS" means the Central Depository System governed under SICDA.
- (n) "CDS Account" means the 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, and "CDS Accounts" shall be construed accordingly.
- (o) "Companies Act" means the Companies Act, 2016, as amended from time to time.
- (p) "Company" means Pharmaniaga Berhad (Registration No.: 199801011581 (467709-M)).
- (q) "Current Market Price" is as defined in section 5(h)(iv) of Schedule 1.
- (r) "Director" means a natural person who is a director for the time being of the Company, and "Directors" shall be construed accordingly.
- (s) "Effective Date" means the date the Scheme takes effect being the date of full compliance with all relevant requirements of the Listing Requirements more particularly set forth in clause 6.

DRAFT AMENDED BY-LAWS (CONT'D)

- (t) "Eligible Person" means:
- (i) In respect of the Option Plan:
 - (A) an employee of a Group Member;
 - (B) an Executive Director of the Company; or
 - (C) a Non-Executive Director of the Company; and
 - (ii) In respect of the LTIP:
 - (A) an employee of a Group Member; or
 - (B) an Executive Director of the Company; and
- "Eligible Persons" shall be construed accordingly.
- (u) "Excluded Entities" means, in relation to the Company for the purposes of the Scheme, any one of the following:
- (i) Subsidiaries which are foreign corporations; and
 - (ii) Subsidiaries which are dormant.
- (v) "Executive Director" means a natural person who holds directorship in the Company and performs an executive function, and "Executive Directors" shall be construed accordingly.
- (w) "Group" means, collectively, the Company and its Subsidiaries (excluding Excluded Entities).
- (x) "Group Member" means any corporation comprised in the Group, and "Group Members" shall be construed accordingly.
- (y) "Initial Term" is as defined in clause 6.1.
- (z) "Listing Requirements" means the Main Market Listing Requirements of Bursa Securities, as amended from time to time.
- (aa) "LTIP" means the long term incentive plan pursuant to which Share Grants may be granted under these By-Laws.
- (bb) "Market Day" means a day on which Bursa Securities is open for trading in securities, and "Market Days" shall be construed accordingly.
- (cc) "Maximum Shares Available" is as defined in clause 3.1.
- (dd) "Non-Executive Director" means a Director of the Company who is not an Executive Director of the Company, and "Non-Executive Directors" shall be construed accordingly.
- (ee) "Offer" means either an Option Offer or a Share Grant Offer, as the case may be, and "Offers" shall be construed accordingly.

DRAFT AMENDED BY-LAWS (CONT'D)

- (ff) "Offer Date" means the date on which an Offer is made or deemed made by the Scheme Committee to a Selected Person, which shall be the date the Offer is served in accordance with clause 33.
- (gg) "Offer Period" means the period of 30 days from the Offer Date, or such other period as may be determined by the Scheme Committee and specified in the Offer, during which an Offer may be accepted.
- (hh) "Option" means the right to subscribe for new Shares under the Option Plan, and "Options" shall be construed accordingly.
- (ii) "Option Offer" means an offer made in writing by the Scheme Committee to a Selected Person under the Option Plan, and "Option Offers" shall be construed accordingly.
- (jj) "Option Period" means the period commencing from the Vesting Date of the Option and expiring on the date as may be determined by the Scheme Committee, unless terminated in accordance with these By-Laws.
- (kk) "Option Plan" means the share option plan pursuant to which Options may be granted under these By-Laws.
- (ll) "Option Price" means the price at which a Selected Person is entitled to subscribe for the Shares pursuant to an Award of Option under the Option Plan at a price to be determined according to the terms of these By-Laws.
- (mm) "Performance Period" means the period during which the Performance Targets stipulated by the Scheme Committee and set forth in the Offer is required to be performed.
- (nn) "Performance Targets" means the performance targets recommended by the Scheme Committee and approved by the Board, and as set forth in an Offer, which are to be achieved by the Selected Persons and/or the Group during the Performance Period.
- (oo) "Previous Company" is as defined in clause 27.
- (pp) "RM" means the ringgit, the lawful currency of Malaysia.
- (qq) "Schedule" means a schedule in these By-Laws, and "Schedules" shall be construed accordingly.
- (rr) "Scheme" means Pharmaniaga Berhad Share Issuance Scheme comprising the Option Plan and the LTIP established under and governed by these By-Laws.
- (ss) "Scheme Committee" means the committee comprising Directors and/or other officers or executives of the Company appointed by the Board pursuant to clause 19 to implement and administer the Scheme, in accordance with these By-Laws.
- (tt) "Scheme Participant" means a Selected Person who has duly accepted an Offer in accordance with these By-Laws, and "Scheme Participants" shall be construed accordingly.
- (uu) "Scheme Period" means the period of the Scheme as set forth in clause 6.1.
- (vv) "Scheme Termination Date" is as defined in clause 17.1.
- (ww) "Selected Person" means an Eligible Person to whom Offer is or is to be made pursuant to these By-Laws, and "Selected Persons" shall be construed accordingly.

DRAFT AMENDED BY-LAWS (CONT'D)

- (xx) "Shares" means ordinary shares in the capital of the Company, and "Share" means any one of them.
- (yy) "Share Grant" means an entitlement to receive new Shares at no cash consideration under the LTIP, and "Share Grants" shall be construed accordingly.
- (zz) "Share Grant Offer" means an offer made in writing by the Scheme Committee to a Selected Person pursuant to the LTIP, and "Share Grant Offers" shall be construed accordingly.
- (aaa) "Share Grant Price" means the price which is used to determine the number of Shares to be granted pursuant to an Award of Share Grant under the LTIP.
- (bbb) "SICDA" means the Securities Industry (Central Depositories) Act, 1991, as amended from time to time.
- (ccc) "Subsidiaries" means Subsidiaries of the Company within the meaning provided in the Companies Act, and shall include such subsidiaries which are existing as of the Effective Date and those subsequently acquired or incorporated at any time, from time to time, during the Scheme Period, unless determined by the Board and/or Scheme Committee to fall outside the expression "Subsidiaries" pursuant to clause 25, and "Subsidiary" shall be construed accordingly.
- (ddd) "Terms of Reference" means the terms of reference which the Board may establish to regulate and govern the Scheme Committee's functions and/or responsibilities under these By-Laws, as amended from time to time.
- (eee) "Total Effective Consideration" is as defined in section 5(h)(ii) of Schedule 1.
- (fff) "Unvested Shares" means:
- (i) the Shares comprised in an Award under the LTIP; or
 - (ii) the Shares pursuant to an exercise of an Option under the Option Plan;
- which have not vested in a Scheme Participant, and "Unvested Share" shall be construed accordingly.
- (ggg) "Unvested Share Grants" means the Share Grants comprised in an Award which have not vested in a Scheme Participant, and "Unvested Share Grant" shall be construed accordingly.
- (hhh) "Unvested Options" means the Options comprised in an Award which have not vested in a Scheme Participant, and "Unvested Option" shall be construed accordingly.
- (iii) "Vesting Conditions" means the conditions determined by the Scheme Committee and stipulated in the Offer in respect of an Award, which must be fulfilled by a Scheme Participant for the vesting of Options, Share Grants or Shares including (without limitation) Performance Targets.
- (jjj) "Vesting Date" means the date on which Options, Share Grants or Shares pursuant to an Award is vested in the Scheme Participant.
- (kkk) "Vesting Period" means the period for the vesting of Options, Share Grants or Shares.

DRAFT AMENDED BY-LAWS (CONT'D)

- 1.2 In these By-Laws, unless the context requires otherwise, words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender shall include all genders.
- 1.3 The headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws. Any reference to a clause is a reference to the relevant clause of these By-Laws. Any reference to a section is a reference to the relevant section in a Schedule. The Schedule forms part of these By-Laws.
- 1.4 Any reference to a statute, statutory provisions, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated.
- 1.5 Any liberty, power or discretion which may be exercised, or any decision or determination which may be made, hereunder by the Scheme Committee (including any selection) may be exercised in the Scheme Committee's sole and absolute discretion, having regard only to the Terms of Reference (where applicable), and the Scheme Committee shall not be under any obligation to give any reason for the same, except as may be required by the relevant regulatory authorities.
- 1.6 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.
- 1.7 In the event of any change in the name of the Company from its present name, all references to "Pharmaniaga Berhad" in these By-laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

2. THE SCHEME

- 2.1 The Scheme shall be called the "Pharmaniaga Berhad Share Issuance Scheme", and be established and governed by these By-Laws.

3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 3.1 Subject to clause 3.2, and subject to any adjustment as may be required to the relevant numbers of Shares pursuant to Schedule 1, the maximum number of Shares which may be made available under the Scheme shall not exceed 8.5% of the then issued and paid-up share capital (excluding treasury shares) of the Company at any such point of time, from time to time, during the Scheme Period ("**Maximum Shares Available**").
- 3.2 In the event that the Company purchases or cancels its own shares in accordance with the provisions of Section 127 of the Companies Act or otherwise howsoever, or undertakes any other corporate proposal resulting in a reduction of its issued share capital, the following provisions shall apply in respect of future Offers (provided that all the valid Offers which are pending acceptances, and Awards that have not been vested and/or Awards that have been vested, prior to such purchase and/or reduction of the issued and paid-up ordinary share capital of the Company shall remain valid in accordance with the provisions of the Scheme as if that reduction had not occurred):
- (a) if, after such purchase, cancellation or reduction, the aggregate number of Shares comprised in all the valid Offers which are pending acceptances, Awards that have not been vested and/or Awards that have been vested ("**Aggregate Shares**") as of the date of purchase, cancellation or reduction of shares is greater than the Maximum Shares Available, no further Offers shall be made by the Scheme Committee until the Aggregate Shares falls below the Maximum Shares Available; or

DRAFT AMENDED BY-LAWS (CONT'D)

- (b) if, after such purchase, cancellation or reduction, the Aggregate Shares is less than the Maximum Shares Available, the Scheme Committee may make further Offers provided that the aggregate number of Shares comprised in the Aggregate Shares and the future Offers is equivalent to the Maximum Shares Available after such purchase, cancellation or reduction.

4. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOCATION

4.1 Subject to any adjustment which may be made under Schedule 1, the aggregate maximum number of Shares that may be allocated:

- (a) between the Option Plan and the LTIP; and
- (b) to any one category or designation of Eligible Person;

shall be determined by the Scheme Committee, on an annual basis, provided that:

- (i) the allocation to any individual Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with that Eligible Person, holds 20% or more of the issued shares (excluding treasury shares) of the Company, shall not exceed 10% of the Maximum Shares Available;
- (ii) the value of the allocation per year to the Eligible Persons under the LTIP shall not exceed 6% of the audited profit after tax of the Group for the preceding financial year; and
- (iii) not more than 65% of the total number of Pharmaniaga Shares to be issued under the Scheme shall be allocated, in aggregate, to the Directors and senior management of the Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the Scheme Committee from time to time).

4.2 An Eligible Person, a Selected Person or a Scheme Participant who is a member of the Scheme Committee shall abstain from any deliberation in connection with any Offer made or to be made to him or any Award held by him.

4.3 Notwithstanding anything contained in these By-Laws, the Scheme Committee shall not in any way be obliged to make an offer to any Eligible Person.

4.4 Subject to clause 4.1 and any adjustment which may be made under Schedule 1, the Scheme Committee shall determine the actual number of Shares to be allocated to any Eligible Person after taking into consideration:

- (a) the Eligible Person's position, ranking, performance, contribution and potential contribution to the continued success of the Group;
- (b) in respect of an Eligible Person who is a Director of the Company, that Eligible Person's contributions towards the growth of the Company, positions in the various Board committees of the Company and directorships in the Group Members; and
- (c) such other criteria as the Scheme Committee may deem relevant.

DRAFT AMENDED BY-LAWS (CONT'D)

4.5 The Company shall ensure that:

- (a) the allocation of Shares to Selected Persons is verified at the end of each financial year of the Company by the Company's audit committee as being in compliance with clause 4.1; and
- (b) a statement by the audit committee, verifying such allocation, is included in the Company's annual report.

5. ELIGIBILITY

5.1 Any Eligible Person who meets the following criteria as of the date of an Offer shall be eligible for consideration and selection as a Selected Person by the Scheme Committee:

- (a) if he has attained the age of eighteen years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;
- (b) if he, with the exception of a Non-Executive Director, entered into a full-time or fixed term contract with, and is on the payroll of any Group Member, and whose service has been confirmed;
- (c) if he is serving in a specific designation under an employment contract, whether on a permanent contract or for a fixed duration (or any other contract as may be determined by the Scheme Committee);
- (d) if he fulfils any other criteria and/or falls within such category as may be determined by the Scheme Committee from time to time.

Subject to applicable law, the Scheme Committee may vary or revise any of the criteria set forth in this clause 5.1 at any time and from time to time.

5.2 Eligibility for consideration under the Scheme does not confer an Eligible Person with any right whatsoever under or to participate in the Scheme.

5.3 The selection of any Eligible Person for participation in the Scheme shall be made by the Scheme Committee. The decision of the Scheme Committee shall be final and binding.

6. SCHEME PERIOD

6.1 The Scheme shall take effect on the Effective Date and shall continue to be in force for a period of five years thereafter ("**Initial Term**"), provided that (if new Shares are to be allotted and issued under the Scheme) the following conditions have been fulfilled:

- (a) grant of the approval of Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Scheme on the Main Market of Bursa Securities;
- (b) grant of the approval of the shareholders of the Company;
- (c) the submission to Bursa Securities of a copy of the final By-Laws; and
- (d) the fulfilment of all conditions attached to the approvals referred to in clauses 6.1(a) and (b), if any.

DRAFT AMENDED BY-LAWS (CONT'D)

- 6.2 The Scheme may be extended by the Board for a period of up to another five years from the expiry of the Initial Term. Any extension shall not, in aggregate with the Initial Term, exceed 10 years from the Effective Date or such other period as may be allowed by the relevant authorities.
- 6.3 All unaccepted Offers shall forthwith cease to be capable of acceptance, and all Unvested Options, Unvested Share Grants or Unvested Shares shall forthwith cease to be capable of vesting, upon expiration of the Scheme.
- 6.4 Within five Market Days after the Effective Date, the Company shall, through the Adviser, submit a confirmation to Bursa Securities of full compliance with the approvals and/or conditions set forth in clause 6.1, stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting approving the Scheme.

7. OFFER UNDER THE SCHEME

- 7.1 Pursuant to the Scheme, the Scheme Committee may, at any time and from time to time, during the Scheme Period, make one or more Offers to Selected Persons to participate in the Scheme.
- 7.2 The Offer may be made upon such terms and conditions as the Scheme Committee deems appropriate and the terms and conditions of each Offer may differ.
- 7.3 Subject to any adjustment which may be made under Schedule 1, the Scheme Committee may at its absolute discretion determine the number of Shares to be comprised in an Offer made to a Selected Person under the Scheme.
- 7.4 The Scheme Committee may at its discretion determine:
- (a) the type of Offer (whether it is an Option Offer or a Share Grant Offer) to be made to a Selected Person;
 - (b) the terms of the Offer to be made to a Selected Person;
 - (c) the date on which an Offer is made to a Selected Person;
 - (d) the Vesting Conditions;
 - (e) the number of Shares to be vested on the Vesting Date;
 - (f) the number of Shares comprised in an Option; and/or
 - (g) any other term or condition as the Scheme Committee may from time to time deem appropriate.

8. ACCEPTANCE OF THE OFFER

- 8.1 The Option Offer must be accepted by the Selected Person during the Offer Period in such form and manner as may be prescribed by the Scheme Committee and must be accompanied with a payment to the Company or the relevant Group Member of a sum of RM1.00 only as non-refundable consideration for the Option Offer.

DRAFT AMENDED BY-LAWS (CONT'D)

- 8.2 The Share Grant Offer must be accepted by the Selected Person during the Offer Period in such form and manner as may be prescribed by the Scheme Committee and must be accompanied by the details of the Selected Person's CDS Account number and a payment to the Company or the relevant Group Member of a sum of RM1.00 only as non-refundable consideration for the Share Grant Offer.
- 8.3 The date of receipt by the Company or the relevant Group Member of such form and payment shall be the date of acceptance of the Offer by the Selected Person.
- 8.4 Unless the Scheme Committee otherwise decides, in the event that the Selected Person fails to accept the Offer in the manner prescribed within the Offer Period, such Offer shall automatically lapse and shall then be null and void and the Offer may, at the sole and absolute discretion of the Scheme Committee, be offered to other Selected Persons in accordance with these By-Laws provided that the Scheme Committee shall not be precluded from making a fresh Offer to the Selected Person subsequently.
- 8.5 Upon acceptance of the Offer in accordance with these By-Laws, the Selected Persons shall be referred to as a Scheme Participant for the purposes of these By-Laws.

9. OPTION PRICE AND THE EXERCISE OF OPTION

- 9.1 Subject to any adjustment which may be made under Schedule 1, the Option Price shall be determined based on the volume weighted average market price of the Shares for the five Market Days immediately preceding the date of the Option Offer, subject to a discount of not more than 10% of the foregoing.
- 9.2 An Option can be exercised by the Scheme Participant, by notice in writing to the Company by the Scheme Participant or its authorised agent (subject that such authorised agent must be recognised by the Company) or in any other manner as may be determined by Scheme Committee from time to time, during the Option Period in respect of all or any part of the Shares comprised in the Option.
- 9.3 Every such notice or any other manner to exercise an Option referred to in clause 9.2, shall be accompanied by a full remittance for the full subscription money (calculated in accordance with clause 9.1) in relation to the number of Shares comprised in the Option. The Scheme Participant who exercises his Option shall provide the Company with his CDS Account number.
- 9.4 The minimum period during which an Option must be held before it can be exercised, if any, may be determined by the Scheme Committee at its absolute discretion.

10. VESTING CONDITIONS

- 10.1 Subject to clause 10.2, the Scheme Committee may at its discretion stipulate the number of Shares comprised in an Offer or an Award, Performance Targets, Performance Period, Vesting Conditions, Vesting Period, Vesting Date and/or other conditions.
- 10.2 The Options and/or the Shares pursuant to the exercise of the Options may be vested to the Scheme Participants in tranches over a period of up to five years as may be determined by the Scheme Committee.
- 10.3 The Share Grants and/or Shares pursuant to the Share Grants may be vested to the Scheme Participants in tranches over a period of up to three years as may be determined by the Scheme Committee.

DRAFT AMENDED BY-LAWS (CONT'D)

- 10.4 Notwithstanding anything to the contrary in these By-Laws, an Offer or an Award, the Scheme Committee may, by giving notice in writing to Scheme Participants, vary the number of Shares comprised in an Offer or Award, and/or vary or waive any one or more of the Performance Targets, Performance Period, Vesting Conditions, Vesting Period, Vesting Date and/or other conditions as will be used to determine the number of Shares comprised in the Options or Share Grants awarded to such Scheme Participants on any Offer Date or Award Date (including (without limitation) increasing or reducing the number of Shares comprised in such Award).
- 10.5 The determination whether the Scheme Participant has achieved any of the stipulated Performance Targets, Vesting Conditions, and/or other conditions of the Eligible Person during the Performance Period shall be determined by the Scheme Committee at its sole and absolute discretion.

11. VESTING AND SETTLEMENT

- 11.1 The Options, Share Grants or Shares (as the case may be) or such part thereof as may be specified in the Offer will only vest in the Scheme Participants in accordance with the terms of the Award on the Vesting Date provided that the Scheme Participant must fulfil the criteria under clause 5.1 as of the Vesting Date.
- 11.2 The determination as to whether the Vesting Conditions have been fulfilled shall be made by the Scheme Committee. In the event that the Scheme Committee shall determine that the Vesting Conditions are not fully satisfied, the Scheme Committee may, at its discretion, adjust the number of Shares comprised in the Options or Share Grants which may vest in the Scheme Participants and/or to impose such other conditions as the Scheme Committee deems fit in respect of the vesting of the Options, Share Grants or Shares to such Scheme Participants.
- 11.3 Where the Scheme Committee has made the determination that the Vesting Conditions have been fulfilled or has made a determination pursuant to clause 11.2 if the Vesting Conditions are not fully satisfied, the Scheme Committee shall notify the Scheme Participant of the number of Shares (comprised in the Option, upon the exercise of the Option or comprised in the Share Grant) vested or which will be vested in him on the Vesting Date, as the case may be.
- 11.4 In respect of an Award under the Option Plan, no Scheme Participant shall have any right to or interest in the Shares unless and until the Options are exercised and the Shares are vested to him on and with effect from the date such Shares are credited into his CDS Accounts.
- 11.5 In respect of an award under the LTIP, no Scheme Participant shall have any right to or interest in the Shares unless and until the Shares are vested to him on and with effect from the date such Shares are credited into his CDS Accounts.
- 11.6 The vesting of the Shares under the Scheme is to be settled by way of an allotment and issue of new Shares.
- 11.7 In relation to Shares to be vested on the Vesting Date (pursuant to an exercise of an Option under clause 9.3 or pursuant to a Share Grant), the Company shall, within eight Market Days after the Vesting Date (or such other period as may be prescribed or allowed by Bursa Securities and/or the Listing Requirements):
- (a) procure the allotment and issue of the relevant number of Shares and despatch the notice of allotment to the Scheme Participant accordingly; and
 - (b) apply for the quotation of such Shares on Bursa Securities.

DRAFT AMENDED BY-LAWS (CONT'D)

- 11.8 The Shares to be allotted and issued to the Scheme Participants pursuant to the vesting of the Shares under the Award will be credited directly into the CDS Account of the Scheme Participant and no physical share certificates will be delivered to the Scheme Participant or his authorised nominee (as the case may be).

12. TAKE-OVERS

- 12.1 In the event of:

- (a) a take-over 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 ("**Acquirer**") or any persons acting in concert with the Acquirer); or
- (b) the Acquirer 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 Scheme Committee may to the extent permitted by law in its discretion permit the vesting of Unvested Options, Unvested Share Grants, Unvested Shares, or any part thereof, in the Scheme Participant or the Scheme Participant's legal and personal representatives, as the case may be, at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the Vesting Date is not due or has not occurred; and/or
- (ii) other terms and conditions set forth in the Award have not been fulfilled or satisfied.

13. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION AND MERGER

- 13.1 In the event of the court approving a compromise or arrangement between the Company and its members for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other corporation, the Scheme Committee may permit the vesting of Unvested Options, Unvested Share Grants or Unvested Shares, or any part thereof, in the Scheme Participant or the Scheme Participant's legal and personal representatives, as the case may be, at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred; and/or
- (b) other terms and conditions set forth in the Offer have not been fulfilled or satisfied.

- 13.2 In the event the Company decides to merge with any other corporation, the Scheme Committee may in its discretion, permit the termination of the Award or the vesting of Unvested Options, Unvested Share Grants, Unvested Shares, or any part thereof, in the Scheme Participant at any time prior to the Scheme Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred; and/or
- (b) other terms and conditions set forth in the Award have not been fulfilled or satisfied.

DRAFT AMENDED BY-LAWS (CONT'D)

14. NON-TRANSFERABILITY

- 14.1 The rights of a Scheme Participant to the vesting of Options, Share Grants or Shares shall be personal to him and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever unless otherwise expressly provided in these By-Laws.

15. RETENTION PERIOD

- 15.1 Subject to clause 15.2, the new Shares to be allocated to Scheme Participants pursuant to these By-Laws will not be subjected to any retention period, unless the Scheme Committee stipulates otherwise in the Offer.
- 15.2 A Scheme Participant who is a Non-Executive Director must not sell, transfer or assign the Shares obtained through the exercise of Options awarded to him, if any, within one year from the date of the Option Offer.
- 15.3 The expression "retention period" referred to in clause 15.1 shall mean the period in which the Shares allotted and issued, or transferred, pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the Scheme Participant.

16. TERMINATION OF OFFERS, UNVESTED SHARE OPTIONS, UNVESTED SHARE GRANTS AND UNVESTED SHARES

- 16.1 Subject to clauses 16.2 and 16.3, any unaccepted Offer shall forthwith lapse and be null and void and/or any Unvested Option, Unvested Share Grants or Unvested Share in respect of a Scheme Participant shall forthwith cease to be capable of vesting in a Scheme Participant, as the case may be, without any liability to or right to claim against the Company, any Group Member, the Scheme Committee, and/or the Board upon the occurrence of any one or more of the following events:
- (a) service of a notice to resign by the Selected Person or Scheme Participant, as the case may be;
 - (b) service of a notice of termination or termination or cessation of employment of the Selected Person or Scheme Participant with a Group Member by reason of misconduct, as the case may be; or
 - (c) bankruptcy of the Selected Person or Scheme Participant, as the case may be.
- 16.2 In the event of the termination or cessation of employment of the Selected Person or Scheme Participant with the Group in any of the following circumstances:
- (a) retirement on attaining the retirement age under the Group's retirement policy;
 - (b) retirement before attaining the normal retirement age;
 - (c) ill-health, injury, physical or mental disability or mental disorder;
 - (d) redundancy or retrenchment, or cessation of service pursuant to the acceptance by the Selected Person of a voluntary separation scheme offered by the Company or a relevant Group Member;
 - (e) non-renewal of a fixed-term contract;
 - (f) winding-up or liquidation of the Company or a relevant Group Member; or

DRAFT AMENDED BY-LAWS (CONT'D)

- (g) any other circumstance which is acceptable to the Scheme Committee in its sole and absolute discretion;

any unaccepted Offer shall forthwith lapse and be null and void and/or any Unvested Option, Unvested Share Grant or Unvested Share in respect of that Scheme Participant shall forthwith cease to be capable of vesting in that Scheme Participant without any liability to or right to claim against the Company, any Group Member, the Scheme Committee, and/or the Board. Notwithstanding this, the Scheme Committee may in its absolute discretion permit the vesting of Unvested Options, Unvested Share Grants or Unvested Shares, or any part thereof, in the Scheme Participant subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the Vesting Date is not due or has not occurred; and/or
- (ii) other terms and conditions set forth in the Offer have not been fulfilled or satisfied.

16.3 Where a Scheme Participant retires and is immediately re-employed by the Company or by any Group Member, upon his re-employment, the Scheme Committee may at its absolute discretion allow the Scheme Participant to be vested with the Options, Share Grants or Shares under such Offer made pursuant to clause 7 either in whole or in part within such period as the Scheme Committee may determine.

16.4 In the event of death of the Scheme Participant before the vesting of the Options, Share Grants or Shares, such Award shall automatically lapse and become null and void at the date of his death, unless otherwise decided by the Scheme Committee.

16.5 Any unaccepted Offer shall forthwith lapse and be null and void and/or Unvested Options, Unvested Share Grants or Unvested Shares shall forthwith cease to be capable of vesting, as the case may be, without any claim against the Company, any Group Member, the Scheme Committee, and/or the Board upon the occurrence of one or more of the following events:

- (a) winding-up or liquidation of the Company; or
- (b) termination of the Scheme pursuant to these By-Laws.

16.6 Any Unvested Option, Unvested Share Grant or Unvested Share that ceases to be capable of vesting in a Scheme Participant pursuant to this clause 16 will continue to be available under the Scheme.

17. TERMINATION OF SCHEME

17.1 Notwithstanding anything to the contrary in these By-Laws, but subject to any applicable law or stock exchange regulation, the Scheme may be terminated by the Company at any time prior to the expiry of the Scheme Period by written notice to affected Scheme Participants, provided that:

- (a) in the case of any unaccepted Offers, such Offers shall forthwith lapse and become null and void on the date specified in the notice;
- (b) in the case of any Unvested Option, Unvested Share Grant or Unvested Share, the written consents of all affected Scheme Participants are obtained prior to such termination, whereupon all Unvested Options, Unvested Share Grants or Unvested Shares shall cease to be capable of vesting in the affected Scheme Participants and be null and void on the date specified in the notice which shall be after the consents have been obtained ("**Scheme Termination Date**"), provided however that the Scheme

DRAFT AMENDED BY-LAWS (CONT'D)

Committee may in its absolute discretion permit the vesting of the Unvested Options, Unvested Share Grants or Unvested Shares either in whole or in part thereof in the Scheme Participant at any time prior to the Scheme Termination Date subject to such terms and conditions as may be prescribed by the Scheme Committee notwithstanding that:

- (i) the Vesting Date is not due or has not occurred; and/or
 - (ii) any other term or conditions of the Offer have not been fulfilled or satisfied.
- (c) the Company must immediately announce to Bursa Securities:
- (i) the Scheme Termination Date;
 - (ii) the number of Shares vested pursuant to the Share Grants and the exercise of the Options; and
 - (iii) the reasons and justifications for the termination.

17.2 Upon termination of the Scheme, no further Offers shall be made by the Company.

18. RIGHTS ATTACHED TO SHARES

18.1 Subject to clause 18.2, new Shares to be allotted and issued pursuant to the vesting of the Shares under the Scheme, shall, upon the allotment and issue:

- (a) be subject to the relevant provisions in the constitution of the Company, including (without limitation), the provision in relation to their transfer, transmission or otherwise; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date on which the Shares are credited into the CDS Accounts of the Scheme Participants; and
- (c) rank pari passu in all other respects with the other then existing Shares of the Company.

18.2 The Scheme Participant shall not be entitled to any dividend, right, allotment, entitlement and/or any other distribution:

- (a) attached to the Shares prior to the date on which the Shares are credited into the Scheme Participants' respective CDS Accounts; and/or
- (b) which may be declared, made or paid to the Company's shareholders, for which the books closing date is prior to the date on which the Shares are credited into the CDS Account of that Scheme Participant.

For the purposes of this clause 18, "books closing date" shall mean the date as of the close of business on a shareholder of the Company must be registered as a member and whose name must appear in the record of depositors maintained at Bursa Depository in order to be entitled to any dividend, right, allotment, entitlement and/or any other distribution.

DRAFT AMENDED BY-LAWS (CONT'D)

19. ADMINISTRATION

- 19.1 The Scheme shall be administered by the Scheme Committee consisting of such persons appointed by the Board from time to time.
- 19.2 If the Scheme Committee comprises any Eligible Person, Selected Person or Scheme Participant, the Scheme Committee must ensure that the Eligible Person, Selected Person or Scheme Participant does not participate in the deliberation or discussion in connection with their own allocation.
- 19.3 Subject to these By-Laws and the Terms of Reference, the Scheme Committee shall administer the Scheme in such manner as it shall in its discretion deem fit.
- 19.4 For the purpose of administering the Scheme, the Scheme Committee may do all such acts and things; enter into any transaction, agreement, deed, instrument, document or arrangement; make rules and regulations; and/or impose terms and conditions; relating to the administration of the Scheme, as the Scheme Committee may in its discretion deem fit, necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme.
- 19.5 The Board shall have power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the Scheme Committee and appoint replacement members to the Scheme Committee;
 - (b) make, issue and/or amend the Terms of Reference at any time and from time to time; and
 - (c) assume and/or exercise or execute any of the powers and authorities conferred upon the Scheme Committee pursuant to these By-Laws.

20. DISCIPLINARY PROCEEDINGS

- 20.1 In the event a Selected Person is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or demotion to a lower category of employment) after an Offer is made but before the acceptance thereof by such Selected Person, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the Scheme Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Selected Person.
- 20.2 Nothing herein shall prevent the Scheme Committee (but the Scheme Committee shall not be obliged to do so) from making a fresh Offer to such Selected Person in the event that such disciplinary actions are not found against him, or if such disciplinary actions are withdrawn, provided that such Offer is made within the duration of the Scheme Period.
- 20.3 In the event a Scheme Participant is subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or demotion to a lower category of employment) after the acceptance of an Offer, the right in respect of the Award shall be suspended pending the outcome of the disciplinary proceedings unless otherwise decided by the Scheme Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Scheme Participant, provided that:

DRAFT AMENDED BY-LAWS (CONT'D)

- (a) in the event the Scheme Participant is found guilty resulting in the dismissal or termination of service, the Award shall immediately lapse notwithstanding that such dismissal or termination of service may be subsequently challenged by the Scheme Participant in any other forum;
 - (b) in the event the Scheme Participant is found guilty resulting in a demotion to a lower category of employment, the number of Shares comprised in the Award held by that Scheme Participant which are unvested at that time may be reduced by the Scheme Committee in its sole and absolute discretion or be dealt with in such manner as the Scheme Committee, in its absolute discretion, deems appropriate; and
 - (c) in the event the Scheme Participant is found guilty of some or all of the charges but no dismissal or termination of service is recommended, the Scheme Committee shall have the sole right to determine, at its absolute discretion, whether or not the Shares comprised in the Award may continue to vest and, if so, to impose such terms and conditions as it deems appropriate in respect of such vesting.
- 20.4 Nothing herein shall prevent the Scheme Committee (but the Scheme Committee shall not be obliged to do so) from making a fresh Offer and/or reinstating the right in respect of the Award in the event that such disciplinary actions are not decided against him or if such disciplinary actions against the Scheme Participant are withdrawn provided that such Offer and/or reinstatement is made within the duration of the Scheme Period. If the Scheme Committee does not reinstate such right in respect of the Award prior to the expiry of the Scheme Period, the Offer and acceptance thereof shall automatically lapse and shall immediately become null and void and any unvested Share shall forthwith cease to be capable of vesting in the Scheme Participant, as the case may be, unless the Scheme Committee determines otherwise.

21. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE SCHEME

- 21.1 Subject to clause 21.2 and compliance with the Listing Requirements, and the approval of any regulatory authority (if required), the Scheme Committee may at any time and from time to time recommend to the Board any addition, amendment and/or modification to and/or deletions of these By-Laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these By-Laws upon such recommendation provided that no such amendment and/or modification shall be made which would adversely affect the rights attaching to any Award except with the approval of a majority in number of the then Scheme Participants present and voting at a meeting of Scheme Participants convened for such purpose, whether by a show of hands by those present and voting and/or by poll. The quorum for such meetings of Scheme Participants shall be two Scheme Participants. At least fourteen days' notice of such meeting must have been given to the Scheme Participants for the convening of any such meeting.
- 21.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions, amendment and/or modification to or deletion of these By-Laws save and except:
- (a) if the approval of the shareholders of the Company has been obtained for the purposes of the allotment and issue of new shares in the Company for the purposes of the Scheme; and
 - (b) if such addition, amendment modifications and/or deletion would:
 - (i) increase the number of Shares beyond the Maximum Shares Available; or
 - (ii) provide an advantage to any Scheme Participant or group of Scheme Participants or all the Scheme Participants.

DRAFT AMENDED BY-LAWS (CONT'D)

21.3 Where any addition, amendment, modifications and/or deletion is made to these By-Laws, the Company shall submit to Bursa Securities:

- (a) such amendment and/or modification to these By-Laws; and
- (b) a confirmation letter that such amendment and/or modification to these By-Laws comply with the applicable provisions under the Listing Requirements;

no later than 5 Market Days from the effective date of the said amendment and/or modification or such other period as may be allowed by Bursa Securities.

22. DISPUTES

22.1 In the event of any dispute between the Scheme Committee with an Eligible Person, Selected Person or Scheme Participant, as to any matter or thing of any nature arising hereunder, such dispute or difference shall be referred to the Board whose decision shall be final and binding on all parties in all respects.

23. SCHEME NOT A TERM OF EMPLOYMENT

23.1 The Scheme does not form part of nor shall it in any way be construed as forming part of the terms and conditions of employment of any Eligible Person, Selected Person or Scheme Participant. The Scheme shall not confer or be construed to confer on any Eligible Person, Selected Person or Scheme Participant any special right or privilege over his terms and conditions of employment nor any right in addition to compensation or damages that he may be normally entitled to arising from the cessation of his employment.

24. COMPENSATION

24.1 No Eligible Person, Selected Person or Scheme Participant who ceases to hold office in or employment with any Group Member shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme.

24.2 The Company, the Board and/or the Scheme Committee shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Eligible Person, Selected Person or Scheme Participant or legal or personal representatives whatsoever and howsoever arising from the suspension or termination of any right to the vesting of Shares pursuant to the Award, or of such right ceasing to be valid pursuant to the provisions of these By-Laws.

25. GROUP MEMBERS

25.1 The Board and/or Scheme Committee may determine, in its absolute discretion, that a subsidiary of the Company (including those subsequently incorporated or acquired during the Scheme Period) shall not fall within the expression "Subsidiaries" or "Group Members".

DRAFT AMENDED BY-LAWS (CONT'D)

26. DIVESTMENT FROM GROUP

26.1 If a Scheme Participant who held office or was in the employment with a corporation of the Group which has ceased to be a Group Member as a result of a restricting or divestment exercise or otherwise (other than a takeover or reconstruction as a result of a restructuring or divestment exercise or otherwise provided under these By-Laws), the Scheme Committee may in its discretion permit the vesting of Unvested Options, Unvested Share Grants or Unvested Shares, or any part thereof, in the Scheme Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred;
- (b) the Vesting Period has not commenced; and/or
- (c) any other term or conditions in the Award have not been fulfilled or satisfied.

27. ACQUISITIONS OF SUBSIDIARIES

27.1 Notwithstanding anything to the contrary, an employee who is in employment of a corporation which is not Group Member ("**Previous Company**") but subsequently becomes a Group Member as a result of an acquisition or other exercise involving the Company and/or any Subsidiary or transferred to a corporation which is a Group Member subsequent to the acquisition, in the case of an employee of a Previous Company, such an employee ("**Affected Employee**"):

- (a) will be entitled to continue to exercise all such unexercised rights or options that were granted to him under the Previous Company's employee share scheme or employee share option scheme in accordance with the by-laws of that Previous Company's employee share scheme or employee share option scheme, but he shall not, upon that Previous Company becoming a Group Member, be eligible to participate for further rights or options under such Previous Company's employee share scheme or employee share option scheme unless permitted by the Scheme Committee; and
- (b) may be eligible to participate in the Scheme only for remaining duration of the Scheme (subject to the approval of the Scheme Committee);

provided that, notwithstanding anything to the contrary, any Option, Share Grant or Share that may be offered to such an Affected Employee under these By-Laws shall always be subject to the discretion of the Scheme Committee.

28. TRANSFER TO OTHER SUBSIDIARY THAT IS NOT A GROUP MEMBER

28.1 Notwithstanding anything to the contrary, in the event a Scheme Participant who was employed in Group Member is subsequently transferred from such corporation to another person which is not a Group Member, the Scheme Committee shall have the discretion to decide that the Scheme Participant shall continue to be entitled to have a right in any Unvested Option, Unvested Share Grant or Unvested Share upon the same terms and conditions as may be set forth in the Award as if the Scheme Participant is still in employment with the Group Member.

DRAFT AMENDED BY-LAWS (CONT'D)

29. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

- 29.1 All Scheme Participants shall be entitled to inspect a copy of the latest audited financial statements of the Company at the registered office of the Company from Mondays to Fridays (excluding public holidays) during normal office hours.

30. COSTS, EXPENSES AND TAXES

- 30.1 All fees, costs, and expenses (including but not limited to administrative and handling charges) incurred in relation to the issue and allotment of the Shares pursuant to an Award upon the vesting of the Shares, shall be borne by the Company. All brokerage fees, commissions and such other incidental costs and stamp duties arising from the sale of Shares by Scheme Participants shall be borne by the Scheme Participants.
- 30.2 Each Scheme Participant shall be solely responsible for any and all taxes (including income tax) which may be levied on him arising out of or as a result of such issuance and allotment of Shares to him under these By-Laws.

31. CONSTITUTION OF THE COMPANY

- 31.1 Notwithstanding the terms and conditions contained in the Scheme, if a situation of conflict should arise between the Scheme and the constitution of the Company, the provisions of the constitution of the Company shall prevail at all times.

32. ERRORS AND OMISSIONS

- 32.1 If in consequence of an error or omission, the Scheme Committee discovers or determines that:
- (a) an Eligible Person who was selected by the Scheme Committee as a Selected Person has not been given the opportunity to participate in the Scheme on any occasion;
 - (b) the number of Shares comprised in an Option on any occasion is found to be incorrect; or
 - (c) the number of Shares allotted and issued to any Scheme Participant (including those allotted and issued pursuant to the vesting of the Shares pursuant to the Award) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the Scheme Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the Scheme, the number of Shares comprised in an Option is corrected and/or the aggregate number of Shares to which the Scheme Participant is correctly entitled is to be credited into his CDS Account (whichever is applicable as determined by the Scheme Committee).

- 32.2 In the event of any error or omission in an Offer or Award, the Scheme Committee may issue a supplemental Offer stating the correct particulars of the Offer or Award.

DRAFT AMENDED BY-LAWS (CONT'D)

33. NOTICE

- 33.1 Any notice under the Scheme required to be given to or served upon the Scheme Committee by an Eligible Person, Selected Person or a Scheme Participant or any correspondence to be made between an Eligible Person, Selected Person or Scheme Participant to the Scheme Committee shall be given or made in writing and sent to the registered office of the Company or such other office which the Scheme Committee may have stipulated for a particular purpose by hand (with acknowledgment of receipt) or registered letter.
- 33.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon an Eligible Person, Selected Person or Scheme Participant or any correspondence to be made with an Eligible Person or Scheme Participant shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, facsimile transmission, registered post, courier, human resource electronic management system or e-mail addressed to the Eligible Person, Selected Person or Scheme Participant at the place of employment or at the last facsimile number or address known to the Company as being his facsimile number or address. Any notice served by hand, facsimile, or courier as aforesaid shall be deemed to have been received at the time when such notice (if by hand or courier) is received and duly acknowledged, and if by facsimile is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages. Any notice served by registered post shall be deemed to have been received the third day after postage. Any notice served by any electronic management system or e-mail shall be deemed to have been received upon the said communication being sent.
- 33.3 Notwithstanding clause 33.2, where any notice is required to be given by the Company or the Scheme Committee under these By-Laws in relation to matters which may affect all the Eligible Persons, Selected Persons or Scheme Participants, as the case may be, the Company or Scheme Committee may give notice through an announcement to all employees of Group Members to be made in such manner deemed appropriate by the Scheme Committee. Upon the making of such an announcement, the notice to be made under clause 33.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons, Selected Persons or Scheme Participants, as the case may be.

34. SEVERABILITY

- 34.1 If at any time any provision of these By-Laws is or becomes illegal, void or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

35. DISCLAIMER OF LIABILITY

- 35.1 Notwithstanding any provisions contained herein and subject to the Companies Act, the Scheme Committee and the Company shall not under any circumstance be liable for any cost, loss, expense and/or damage whatsoever incurred, arising and/or suffered by any Scheme Participant in connection with any delay in allotting and issuing the Shares, applying for a or procuring the listing of the new Shares on Bursa Securities, and/or for any reason whatsoever.

DRAFT AMENDED BY-LAWS (CONT'D)

36. DECISION OF THE SCHEME COMMITTEE

- 36.1 Any decision and/or determination made by the Scheme Committee under these By-Laws shall, in the absence of any manifest of error, be final and binding.

37. MULTIPLE JURISDICTIONS

- 37.1 In order to facilitate the making of any Offer under this Scheme, the Board may provide for such special terms to apply to such Offers to Eligible Persons who are employed by a Group Member in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the Board may consider necessary or appropriate to accommodate differences in applicable law, tax policy or custom. Moreover, the Board may 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 they are in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Scheme. No such special terms, supplements, amendments or restatement, however, shall include any provision that is inconsistent with the terms of this Scheme as then in effect unless this Scheme could have been amended to eliminate such inconsistency.

38. GOVERNING LAW

- 38.1 The Scheme, these By-Laws, all Offers, all Awards made and granted, and all decisions and actions taken under the Scheme shall be governed by and construed in accordance with Malaysian law. The Scheme Participant, by accepting the Offer in accordance with these By-Laws, the terms of the Scheme and the constitution of the Company, irrevocably submits to the exclusive jurisdiction of the Malaysian courts.

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DRAFT AMENDED BY-LAWS (CONT'D)

SCHEDULE 1

1. If the Scheme Committee so decides (but not otherwise), in the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of capitalisation of profits or reserves, rights issues, bonus issues, capital reduction (save for set off against accumulated losses), capital repayment, sub-division or consolidation of capital, or declaration of any special dividend or distribution or otherwise howsoever taking place, such corresponding alterations (if any) may be made to the Scheme.
2. Alterations, as set forth in section 1 of Schedule 1, may be made in:
 - (a) the Option Price and/or the Share Grant Price;
 - (b) the number of Shares comprised in an Option that has not been exercised pursuant to an Award;
 - (c) the number of Unvested Shares comprised in an Award; and/or
 - (d) the method and/or manner in the vesting of the Options, Share Grants or Shares comprised in an Award.
3. The alterations set forth in section 2 of Schedule 1 shall be in such a manner as to give the Selected Person a fair and reasonable Award entitlement, as certified in writing (other than for adjustments made pursuant to a bonus issue) by the external auditor or Adviser to the Company (acting as an expert and not as an arbitrator) as being in its opinion fair and reasonable and such certification shall be final and binding in all respects, provided that:
 - (a) upon any adjustment being made pursuant to section 2 of Schedule 1, the Scheme Committee shall notify the Selected Person (or his personal representatives, where applicable) in writing of:
 - (i) the adjusted number of Shares comprised in an Option pursuant to the Award, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in the Option pursuant to the Award, such Option of which may be exercised in an Option Period which supersedes the earlier Award; or
 - (ii) the adjusted number of Shares comprised in the Award, and/or the revised maximum number of Shares and/or percentage of the total Shares comprised in the Award, that may vest at any time or in any period which supersedes the earlier Award.
 - (b) in the event that a fraction of a Share arising from the adjustments referred to in section 2 of Schedule 1 would otherwise be required to be issued upon the vesting of Shares comprised in an Award, the Selected Person's entitlement shall be rounded to the nearest whole number.

Unless otherwise determined by the Scheme Committee, the adjustments pursuant to section 2 of Schedule 1 shall be effective on the day immediately following the books closing date for the event giving rise to that adjustment.
4. Notwithstanding anything to the contrary, the provisions of this Schedule 1 shall not apply where the alteration in the capital structure of the Company arises from:
 - (a) any issuance of Shares or other securities as consideration (or part consideration) for an acquisition of any other securities, assets or business by the Group;

DRAFT AMENDED BY-LAWS (CONT'D)

- (b) any special issuance of Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;
 - (c) any private placement or restricted issuance of Shares or other securities by the Company;
 - (d) any implementation of a share buy-back arrangement by the Company under the Companies Act;
 - (e) any issuance of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into shares in the Company or other securities, and any issuance of Shares or other securities arising from the exercise of any conversion rights attached to such convertible securities; or
 - (f) any issuance or allotment of Shares upon the vesting of Shares comprised in an Award.
5. In consultation with the external auditor or Adviser of the Company, any adjustment pursuant to this Schedule 1 shall be calculated as follows:
- (a) If and whenever a Share, by reason of any consolidation or subdivision (including if so permitted by the relevant authorities, a subdivision by way of a bonus issue by the Company of Shares without capitalisation of profits or reserves) or conversion occurs, then the Option Price and/or Share Grant Price shall be adjusted and the additional number of Shares comprised in an Award shall be calculated in accordance with the following formula:

$$(i) \quad \begin{array}{l} \text{New Option Price / New Share Grant} \\ \text{Price} \end{array} = \frac{S \times L}{M}$$

$$(ii) \quad \text{Additional number of Shares} = \frac{T \times M}{L} - T$$

where:

- (1) "L" means the aggregate number of Shares in issue immediately prior to the consolidation or subdivision or conversion; and
- (2) "M" means the aggregate number of Shares in issue immediately after such consolidation or subdivision or conversion; and
- (3) "S" means existing Option Price / Share Grant Price; and
- (4) "T" means existing number of Shares relating to the Option/ Share Grant; and

Each such adjustment will be effective from the close of business on the Market Day immediately preceding the date in which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities), or such other period as may be prescribed by Bursa Securities.

DRAFT AMENDED BY-LAWS (CONT'D)

(b) If and whenever the Company shall make any issue of Shares to its ordinary shareholders of the Company for which no consideration is payable or which are credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income in nature or other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares) :

(i) the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

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

(ii) and the additional number of Shares comprised in the respective Award shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \frac{A + B}{A} - T$$

where:

- (1) "A" means the aggregate number of issued and fully paid-up Shares on the books closing date immediately before such capitalisation.
- (2) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (other than an issue of Shares to its members who had an option to take cash or other dividend in lieu of the relevant Shares).
- (3) "T" means the existing number of Shares comprised in an Award.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the books closing date for such issue.

(c) If and whenever the Company shall make:

- (i) a Capital Distribution (as defined in section 5(h)(i) of this Schedule 1) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any capital reduction involving cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own Shares in accordance with the Act and all other applicable laws and regulations);
- (ii) any offer or invitation to ordinary shareholders pursuant to which they may acquire or subscribe new Shares by way of rights; or
- (iii) any offer or invitation to ordinary shareholders by way of rights pursuant to which they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto;

then and in respect of each such case:

(A) the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

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

DRAFT AMENDED BY-LAWS (CONT'D)

- (B) and in respect of the circumstance referred to in section 5(c)(ii) of this Schedule 1, the number of additional Shares to be comprised in an Award shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \frac{C}{C - D^*} - T$$

where:

- (1) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.
- (2) "D" means:
- (aa) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under section 5(c)(ii) of this Schedule 1 or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under section 5(c)(iii) of this Schedule 1, the value of rights attributable to a Share; or
- (bb) in the case of any other transaction falling under section 5(c) of this Schedule 1, the fair market value, as determined by an external auditor and/or Adviser of the Company, of that portion of the Capital Distribution attributable to a Share.

For the purpose of the definition of "D" under the foregoing paragraph (aa), the value of the rights attributable to a Share shall be calculated as follows:

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

where:

- (AA) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;
- (BB) "E" means the subscription price for one additional Share under the terms of such offer or invitation or subscription price for one additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for a Share under the offer of invitation;
- (CC) "F" means the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one

DRAFT AMENDED BY-LAWS (CONT'D)

additional Share or security convertible into rights to acquire or subscribe for one additional Share; and

- (3) "D*" means the value of rights attributable to a Share. For the purpose of this definition of "D*", the value of rights attributable to a Share shall be calculated as follows:

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

where:

- (AA) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.
- (BB) "E*" means the subscription price for one additional share under the terms of such offer or invitation to acquire or subscribe for Shares.
- (CC) "F*" means the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for one additional Share.

- (4) "T" means the existing number of Shares comprised in an Award.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the books closing date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided under section 5(b) of this Schedule 1 and:

- (i) also makes an offer or invitation to its ordinary shareholders as provided under section 5(c)(ii) or (iii) of this Schedule 1 and the record date for the purpose of the allotment is also books closure date for the purpose of the offer or invitation, the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

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

- (ii) also makes an offer or invitation to its ordinary shareholders as provided under section 5(c)(ii) of this Schedule 1 and the record date for the purpose of the allotment is also the books closing date for the purpose of the offer or invitation, the additional number of Shares to be comprised in an Award shall be calculated as follows:

$$(A) \text{ Additional number of Shares to be comprised in an Award of Option} = T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$$

DRAFT AMENDED BY-LAWS (CONT'D)

$$(B) \text{ Additional number of Shares to be comprised in an Award of Share Grant} = T \times \frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$$

where:

- (1) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature).
- (2) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.
- (3) "G" means the aggregate number of issued and fully paid-up Shares on the books closing date.
- (4) "H" means 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.
- (5) "H*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.
- (6) "I" means the subscription price of one 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 additional Share as the case may be.
- (7) "I*" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.
- (8) "J" means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.
- (9) "K" means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.
- (10) "T" means the existing number of Shares comprised in an Award.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the books closing date for such issue.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under section 5(c)(ii) of this Schedule 1 together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares as provided under section 5(c)(iii) of this Schedule 1:

DRAFT AMENDED BY-LAWS (CONT'D)

- (i) the Option Price and/or Share Grant Price shall be by multiplying it by the following fraction:

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

- (ii) and the additional number of Shares comprises in an Award shall be calculated as follows:

(A) Additional number of Shares to be comprised in an Award of Share Option = $T \times \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$

(B) Additional number of Shares to be comprised in an Award of Share Grant = $T \times \frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$

where;

- (1) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.
- (2) "G" means the aggregate number of issued and fully paid-up Shares on the books closing date.
- (3) "H" means 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.
- (4) "H*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.
- (5) "I" means the subscription price of one 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 additional Share as the case may be.
- (6) "I*" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.
- (7) "J" means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.

DRAFT AMENDED BY-LAWS (CONT'D)

(8) "K" means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.

(9) "T" means the existing number of Shares comprised in an Award.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the books closing date for the foregoing transactions.

(f) If and whenever the Company makes an allotment to its ordinary shareholders as provided under section 5(b) of this Schedule 1 and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided under section 5(c)(ii) of this Schedule 1, together with rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as provided under section 5(c)(iii) of this Schedule 1, and the record date for the purpose of allotment is also the book closure for the purpose of the offer or invitation:

(i) the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

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

(ii) and the additional number of Shares comprised in an Award shall be calculated as follows:

(A) Additional number of Shares to be comprised in an Award of Option = $T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} - T$

(B) Additional number of Shares to be comprised in an Award of Share Grant = $T \times \frac{(G + H^* + J + B) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} - T$

(1) "B" means the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income in nature).

(2) "C" means 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 (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation.

(3) "G" means the aggregate number of issued and fully paid-up Shares on the books closing date.

(4) "H" means 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.

DRAFT AMENDED BY-LAWS (CONT'D)

- (5) "H*" means the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights.
- (6) "I" means the subscription price of one 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 additional Share as the case may be.
- (7) "I*" means the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares.
- (8) "J" means the aggregate number of Shares to be issued to its ordinary shareholders of the Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of the Company.
- (9) "K" means the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share.
- (10) "T" means the existing number of Shares comprised in an Award.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the books closing date for the foregoing transactions.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under section 5(c)(ii), (c)(iii), (d), (e) or (f) of this Schedule 1), the Company shall issue either any Share or any securities convertible into Shares or any right to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share is less than 90% of the Average Price for a Share or, as the case may be, the price at which the Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Option Price and/or Share Grant Price shall be adjusted by multiplying it by the following fraction:

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

where:

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

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (falling any such announcement) on the Market Day next following the date on which the Company determines the offering price of such Shares.

DRAFT AMENDED BY-LAWS (CONT'D)

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the date of the completion of the foregoing transaction.

- (h) In this section 5 of Schedule 1, the following definitions apply:
- (i) For the purpose of section 5(c) of this Schedule 1, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (not falling under section 5(b) of this Schedule 1) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income in nature). 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 in the event the net dividend amount per share declared or provided for at any given time is more than 10% of the five day weighted average market price of the Shares immediately prior to the announcement of the dividend.
 - (ii) For the purpose of section 5(g) of this Schedule 1, "Total Effective Consideration" shall be determined by the Board with the concurrence of an external auditor and/or Adviser of the Company and shall be:
 - (1) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares;
 - (2) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
 - (3) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.
 - (iii) For the purpose of section 5(g) of this Schedule 1, the "Average Price" of a Share shall be the average price of a Share as derived from the last dealt prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.
 - (iv) For the purpose of section 5(c), (d), (e) and (f), the "Current Market Price" in relation to a Share for any relevant day shall be the weighted average market price for the five consecutive Market Days before such date.

DRAFT AMENDED BY-LAWS (CONT'D)

6. If an event occurs that is not set out in section 5 of this Schedule 1 or if the application of any of the formula to an event results in a manifest error or does not, in the opinion of the Scheme Committee, achieve the desired result of preventing the dilution or enlargement of the Scheme Participants' rights, the Scheme Committee may agree to any other adjustment formula, provided that the Scheme Participants shall be notified of the adjustment through an announcement to all the Scheme Participants to be made in such manner deemed appropriate by the Scheme Committee.
7. The provisions of Schedule 1 shall also, where applicable, apply to a situation where the Offer has been made but has not been accepted by the Selected Person or withdrawn by the Scheme Committee.

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved the contents of this Circular, and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular. Our Board confirms that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

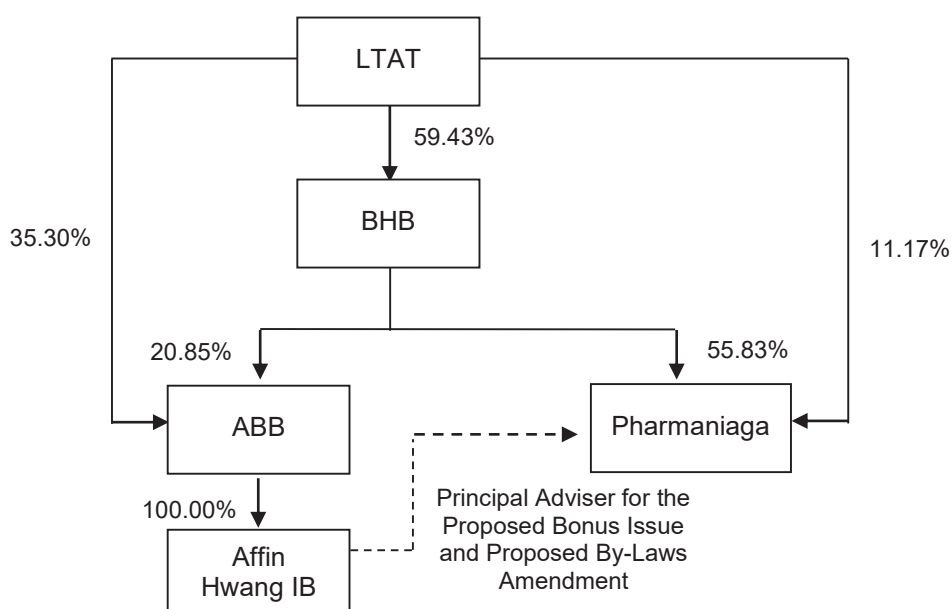
2. CONSENT

Affin Hwang IB, being the Principal Adviser for the Proposed Bonus Issue and Proposed By-Laws Amendment, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

3. CONFLICT OF INTEREST

Save as disclosed below, Affin Hwang IB, being the Principal Adviser for the Proposed Bonus Issue and Proposed By-Laws Amendment, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the Principal Adviser for the Proposed Bonus Issue and Proposed By-Laws Amendment:

Affin Hwang IB is a wholly-owned subsidiary of Affin Bank Berhad ("**ABB**") and the Principal Adviser to our Company for the Proposed Bonus Issue and Proposed By-Laws Amendment. As at the LPD, as illustrated below, LTAT and BHB are substantial shareholders of ABB and our Company, holding the following equity interest in the issued share capital of ABB and our Company:



FURTHER INFORMATION (CONT'D)

ABB (the holding company of Affin Hwang IB) and its related and associated companies (the “**Affin Group**”) form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading assets and funds management and credit transaction services businesses. The Affin Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our Company’s affiliates, in addition to the roles set out in this Circular. In addition, in the ordinary course of business, any member of the Affin Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with our Company, our Company’s shareholders, and/or our Company’s affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our Company’s affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities of our Company and/or our Company’s affiliates.

As at the LPD, Affin Group has in the ordinary course of its business extended credit facilities/services to our Group and may also in the future extend credit facilities/services to our Group.

Affin Hwang IB has considered the factors involved and believes its objectivity and independence as the Principal Adviser to our Company in relation to the Proposed Bonus Issue and Proposed By-Laws Amendment are maintained at all times notwithstanding the aforementioned roles and services performed as these are mitigated by the following:

- (i) the businesses of Affin Group generally acting independently of each other, and accordingly, there may be situations where parts of the Affin Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of the Affin Group. Nonetheless, the Affin Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions;
- (ii) as at the LPD, the total outstanding amount owed by our Group is not material when compared to the audited NA of Affin Group as at 31 December 2020 of RM9.57 billion;
- (iii) the said credit facilities/services have been extended by the Affin Group in its ordinary course of business;
- (iv) the conduct of the Affin Group in its banking business is strictly regulated by the Financial Services Act, 2013, the Capital Markets and Services Act, 2007 and the Affin Group’s own internal controls and checks; and
- (v) save for the professional advisory fees to be received by Affin Hwang IB as the Principal Adviser to our Company for the Proposed Bonus Issue and Proposed By-Laws Amendment, there is no other direct interest to be derived from Affin Hwang IB’s appointment as the Principal Adviser to our Company in respect of the Proposed Bonus Issue and Proposed By-Laws Amendment, and neither is Affin Hwang IB interested in nor affected by the outcome of the Proposed Bonus Issue and Proposed By-Laws Amendment.

Accordingly, our Board has been fully informed and is aware of the roles of Affin Hwang IB mentioned above and is agreeable to the role of Affin Hwang IB acting as the Principal Adviser to our Company in relation to the Proposed Bonus Issue and Proposed By-Laws Amendment.

FURTHER INFORMATION (CONT'D)

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the business or financial position of our Group.

5. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, our Board is not aware of any other material commitments incurred or known to be incurred by our Group, which upon becoming enforceable may have a material effect on the business or financial position of our Group:

	<u>RM'000</u>
Authorised and contracted for:	
▪ Acquisition of property, plant and equipment	1,295
Authorised but not contracted for:	
▪ Acquisition of property, plant and equipment	117,647
	<u>118,942</u>

6. CONTINGENT LIABILITIES

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

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM of the Company, at the registered office of our Company at 28th Floor, Menara Boustead, 69, Jalan Raja Chulan, 50200 Kuala Lumpur:

- (i) the Constitution of our Company;
- (ii) the existing and amended By-Laws;
- (iii) the audited consolidated financial statements of our Company for the past two (2) financial years up to the FYE 31 December 2020; and
- (iv) the letter of consent referred to in **Section 2** above.

pharmaniaga[®]

passion *for* patients

PHARMANIAGA BERHAD
(Registration No. 199801011581 (467709-M))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of Pharmaniaga Berhad (“**Pharmaniaga**” or “**Company**”) will be held at Royale Chulan Kuala Lumpur, 5, Jalan Conlay, 50450 Kuala Lumpur on Wednesday, 16 June 2021, at 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Company’s Twenty-Third (23rd) Annual General Meeting, to be held at the same venue and on the same day at 9:00 a.m., whichever is the later, for the purpose of considering and, if thought fit, passing the following resolutions, with or without any modifications:-

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 1,047,994,928 NEW ORDINARY SHARES IN PHARMANIAGA (“BONUS SHARE(S)”) ON THE BASIS OF 4 BONUS SHARES FOR EVERY 1 EXISTING ORDINARY SHARE IN PHARMANIAGA (“PHARMANIAGA SHARE(S)” OR “SHARE(S)”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE”)

THAT subject to the approvals of all relevant authorities and/or parties (where applicable) being obtained, and to the extent permitted by law and the Constitution of the Company, approval be and is hereby given to the Board of Directors of Pharmaniaga (“**Board**”) to issue up to 1,047,994,928 Bonus Shares on the basis of 4 Bonus Shares for every 1 existing Pharmaniaga Share held by the entitled shareholders whose names appear in the record of depositors of the Company at the close of business on an entitlement date to be determined and announced later.

THAT fractional entitlements arising from the Proposed Bonus Issue, if any, will be disregarded, and/or dealt with by the Board in such manner as it may at its absolute discretion deem fit or expedient and in the best interest of the Company.

THAT the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing Pharmaniaga Shares.

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

ORDINARY RESOLUTION 2

THE PROPOSED AMENDMENTS TO THE BY-LAWS GOVERNING THE EXISTING SHARE ISSUANCE SCHEME OF PHARMANIAGA (“SCHEME”) (“PROPOSED BY-LAWS AMENDMENT”)

THAT approval be and is hereby given for the Directors of the Company to amend, modify and/or vary the existing By-Laws governing and constituting the Scheme as set out in the circular to the shareholders of Pharmaniaga dated 31 May 2021 (“**Circular**”).

THAT the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed By-Laws Amendment with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be required, imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company and to sign, execute, deliver on behalf of the Company all such agreements, arrangements, documents and any other ancillary agreements and documents in relation thereto as may be necessary to give full effect to, complete and implement the Proposed By-Laws Amendment as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.

AND THAT the amended By-Laws as set out in Appendix II of the Circular in relation to the Proposed By-Laws Amendment, be and is hereby approved and adopted.

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF UP TO 3,000,000 OPTIONS AND UP TO 500,000 SHARE GRANTS TO DATUK ZULKARNAIN MD EUSOPE

THAT the Board be and is authorised at any time and from time to time to offer and grant Datuk Zulkarnain Md Eusope, Group Managing Director of the Company:

- (a) the right to subscribe for up to 3,000,000 new Pharmaniaga Shares ("**Options**") under the share option plan pursuant to which Options may be granted under the By-Laws ("**Option Plan**"); and
- (b) the entitlement to receive up to 500,000 new Pharmaniaga Shares at no cash consideration ("**Share Grants**") for the duration of the Scheme under the long term incentive plan pursuant to which Share Grants may be granted under the By-Laws ("**LTIP**"),

subject always to the following:

- (i) he must not participate in the deliberation or discussion of his own allocation of the number of Pharmaniaga Shares to be comprised in the Options and Share Grants to be offered to him as well as that of the persons connected to him within the meaning of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Persons Connected**") under the Option Plan and LTIP; and
- (ii) that not more than 10% of the new Pharmaniaga Shares available under the Scheme shall be allocated to him, if he, either singly or collectively through Persons Connected to him, holds 20% or more of the issued share capital (excluding treasury shares) of the Company,

and subject always to such terms and conditions and/or any adjustment which may be made in accordance with the provisions of the By-Laws, the Main Market Listing Requirements of Bursa Securities and/or any other then prevailing guidelines issued by Bursa Securities or any other relevant regulatory authority, as amended from time to time.

AND THAT approval and authority be and are given to the Board to allot and issue such number of new Pharmaniaga Shares to him, from time to time, pursuant to the exercise of the Options granted to him under the Option Plan, and pursuant to the Share Grants under the LTIP.

By order of the Board

WAN INTAN IDURA BINTI WAN ISMAIL (LS0010452)

SYARUZAIMI BIN YUSOF (LS0010451)

Company Secretaries

Kuala Lumpur

31 May 2021

Notes:

1. As part of the initiatives to curb the spread of Coronavirus Disease 2019 (COVID-19), the EGM will be conducted on a **virtual basis through live streaming and online remote voting** via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online>.

2. Please follow the procedures provided in the Administrative Notes for the EGM in order to register, participate, speak and vote remotely via the RPV facilities.

Shareholders are to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the EGM via the RPV provided by Tricor via its TIIH Online website at <https://tiih.online>.

3. The venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. **No shareholders/proxy(ies) from the public will be physically present at the meeting venue on the day of the meeting.**

4. For the purpose of determining who shall be entitled to participate in the EGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 8 June 2021. Only members registered in the Record of Depositors shall be entitled to participate in the EGM via RPV.

5. A member of the Company entitled to participate in the EGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

6. A member of the Company entitled to attend and vote at a general meeting of the Company may appoint not more than two proxies to participate at the EGM via RPV. Where a member appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

8. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

9. A member who has appointed a proxy or attorney or authorised representative to participate, speak and vote at the EGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the EGM in order to register, participate and vote remotely via the RPV facilities.

10. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:

(i) In hard copy form

In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the office of the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, no later than Monday, 14 June 2021 at 11:00 a.m.

(ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form via TIIH Online.

11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of the EGM of the Company shall be put to vote by way of a poll.



PHARMANIAGA BERHAD
 Registration No. 199801011581 (467709-M))
 (Incorporated in Malaysia)

No. of Shares held	CDS Account No.

I/We _____
 (Full Name in Block Letters and NRIC No./Passport No./Company No.)

of _____ and _____
 (Address) (Tel. No./Email Address)

being a member/members of Pharmaniaga Berhad (the “Company”), hereby appoint

Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of shareholding

*and

Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of shareholding

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company, to be held at Royale Chulan Kuala Lumpur, 5, Jalan Conlay, 50450 Kuala Lumpur on Wednesday, 16 June 2021 at 11:00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Company’s Twenty-Third (23rd) Annual General Meeting, to be held at the same venue and on the same day at 9:00 a.m., whichever is the later, on the resolutions referred to in the notice of EGM.

Please indicate with an “X” in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Ordinary Resolutions	For	Against
Proposed Bonus Issue		
Proposed By-Laws Amendment		
Proposed Allocation		

Signed this day of 20.....

.....
 Signature of Shareholder(s)/ Common Seal

* Strike out whichever is not desired.

Notes:

- As part of the initiatives to curb the spread of Coronavirus Disease 2019 (COVID-19), the EGM will be conducted on a **virtual basis through live streaming and online remote voting** via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd’s TIIH Online website at <https://tiih.online>.
- Please follow the procedures provided in the Administrative Notes for the EGM in order to register, participate, speak and vote remotely via the RPV facilities.

Shareholders are to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the EGM via the RPV provided by Tricor via its TIIH Online website at <https://tiih.online>.
- The venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. **No shareholders/proxy(ies) from the public will be physically present at the meeting venue on the day of the meeting.**
- For the purpose of determining who shall be entitled to participate in the EGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 8 June 2021. Only members registered in the Record of Depositors shall be entitled to participate in the EGM via RPV.



5. A member of the Company entitled to participate in the EGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/ her place. A proxy may but need not be a member of the Company.
6. A member of the Company entitled to attend and vote at a general meeting of the Company may appoint not more than two proxies to participate at the EGM via RPV. Where a member appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
8. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
9. A member who has appointed a proxy or attorney or authorised representative to participate, speak and vote at the EGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the EGM in order to register, participate and vote remotely via the RPV facilities.
10. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - (i) **In hard copy form**

In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the office of the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, no later than Monday, 14 June 2021 at 11:00 a.m.
 - (ii) **By electronic form**

The proxy form can be electronically lodged with the Share Registrar of the Company via **TIIH Online** at <https://tiih.online>. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form via TIIH Online.
11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the EGM of the Company shall be put to vote by way of a poll.

Personal Data Privacy

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the EGM of the Company and any adjournment thereof.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
PHARMANIAGA BERHAD
(Registration No: 199801011581 (467709-M))
C/O TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

UNIT 32-01, LEVEL 32, TOWER A,
VERTICAL BUSINESS SUITE,
AVENUE 3, BANGSAR SOUTH,
NO. 8, JALAN KERINCHI,
59200 KUALA LUMPUR

1st fold here
