

**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, solicitor, accountant, bank manager or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has only conducted a limited review of the contents of Part A of this Circular and did not peruse Part B of this Circular prior to the issuance of this Circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**ADVENTA BERHAD**

Registration No.: 200301016113 (618533-M)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PART A**

**PROPOSED ESTABLISHMENT OF AN EMPLOYEE SHARE SCHEME OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN ADVENTA BERHAD ("ADVENTA" OR THE "COMPANY") (EXCLUDING TREASURY SHARES OF ADVENTA, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE EMPLOYEE SHARE SCHEME ("PROPOSED ESS")**

**AND**

**PART B**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OF TRADING NATURE**

**(COLLECTIVELY KNOWN AS "THE PROPOSALS")**

*Adviser for Part A*



**UOB Kay Hian Securities (M) Sdn Bhd**

(Registration No. 199001003423 (194990-K))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Proposals will be tabled as Special Businesses at Adventa Berhad's Nineteenth Annual General Meeting ("19th AGM") to be held on a virtual basis at the broadcast venue at Meeting Room of Adventa Berhad of 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan on Thursday, 23 June 2022 at 10:30 a.m. A copy of this Circular, Notice of Annual General Meeting and Administrative Guide are available on the Company's website at <https://www.adventa.com.my/investor-relations-info>.

If you are unable to attend and vote at the meeting, you may complete the Form of Proxy and deposit it at Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit via fax at 03-2094 9940 and/ or 03-2095 0292 or email to [info@sshbsb.com.my](mailto:info@sshbsb.com.my), not later than forty-eight (48) hours before the time appointed for holding the 19th AGM. Your proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://sshbsb.net.my/>. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the 19th AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours the time stipulated for holding the 19th AGM.

Should you wish to personally participate at the 19th AGM remotely, please register electronically via Securities Services e-Portal at <https://sshbsb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide for further details.

Last date and time for lodging the Proxy Form : Tuesday, 21 June 22 at 10:30 a.m.

Date and time of the AGM : Thursday, 23 June 2022 at 10:30 a.m.

This Circular is dated 17 May 2022

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## DEFINITIONS

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

"Act"	: Companies Act 2016
"Adventa" or the "Company"	: Adventa Berhad (Registration No. 200301016113 (618533-M))
"Adventa Group" or the "Group"	: Adventa and its subsidiary companies, collectively
"Adventa Share(s)" or "Share(s)"	: Ordinary share(s) in Adventa
"AGM"	: The forthcoming Annual General Meeting of the Company
"Board"	: The Board of Directors of Adventa
"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 rules, terms and conditions of the Proposed ESS as may be modified, varied and/ or amended from time to time, the draft of which is set out in Appendix I of this Circular
"Circular"	: This circular to the shareholders of Adventa dated 17 May 2022 in relation to the Proposed ESS
"Director(s)"	: The director(s) of Adventa and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007 and for the purpose of the Proposed Renewal of RRPT Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a Director or a chief executive of the Company, its subsidiary or holding company
"Eligible Person(s)"	: The eligible Directors (including independent non-executive Directors) and employees of Adventa Group (excluding subsidiary companies which are dormant), who meet the criteria of eligibility for participation in the Proposed ESS as set out in the By-Laws
"EPS"	: Earnings per share
"ESOS Award(s)"	: The grant of such number of ESOS Options to the Eligible Persons to subscribe for the Shares at the Option Price in the manner and subject to the terms and conditions provided in the By-Laws
"ESOS Option(s)"	: The right of an ESOS Participant to subscribe for new Adventa Shares at the Option Price pursuant to the ESOS pursuant to the contract constituted by the selected Eligible Person's acceptance of an ESOS Award in the manner as indicated in the By-Laws

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**DEFINITIONS (CONT'D)**

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"ESOS Participant(s)"	: Eligible Person(s) who has a grant of accepted the ESOS Options in the manner provided in the By-Laws accordance with the terms of the Proposed ESS
"ESS Award(s)"	: The SGP Award(s) and/ or ESOS Award(s), as the case may be
"ESS Award Date"	: The date of which the ESS Award is made by the ESS Committee from time to time to an Eligible Person to participate in the Proposed ESS in the manner provided in the By-Laws
"ESS Committee"	: The committee comprising such Directors and/ or senior management of the Group to be approved by the Board to implement and administer the Proposed ESS in accordance with the By-laws
"ESS Participant(s)"	: The SGP Participants and ESOS Participants, collectively
"FYE"	: Financial year ended/ ending
"LCG"	: Mr. Low Chin Guan, the Executive Director and Major Shareholder of Adventa
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 29 April 2022, being the latest practicable date prior to the printing and dispatch of this Circular
"Major Shareholder(s)"	<p>: Means a person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is:-</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act and for the purpose of the Proposed Renewal of RRPT Mandate includes any person who is or was within the preceding six (6) months from the date on which the terms of the RRPT were agreed upon, a Major Shareholder of the Company, its subsidiary or holding company.</p>
"Market Day(s)"	: Any day between Monday to Friday (inclusive of both days), which is not a public holiday and on which Bursa Securities is open for trading of securities
"Maximum Scenario"	: Assuming all of the Placement Shares are placed out prior to the implementation of the Proposed ESS
"Minimum Scenario"	: Assuming none of the Placement Shares are placed out prior to the implementation of the Proposed ESS
"NA"	: Net assets attributable to ordinary equity holders of the Company

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**DEFINITIONS (CONT'D)**

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"Option Price"	: The price at which the ESOS Participant shall be entitled to subscribe for every new Adventa Shares by exercising his/ her ESOS Options as determined in accordance with the provisions of the By-Laws
"Placement Share(s)"	: Up to 30,557,154 new Shares to be issued pursuant to the Private Placement. As at the LPD, the Company has not placed out any Placement Shares
"Person Connected"	: in relation to any person (referred to as "said Person") means such person who falls under any one of the following categories:- <ul style="list-style-type: none"><li>(a) a family member of the said Person;</li><li>(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;</li><li>(c) a partner of the said Person;</li><li>(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/ are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;</li><li>(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;</li><li>(f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or</li><li>(g) control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or</li><li>(h) a body corporate which is a related corporation of the said Person.</li></ul>
"Private Placement"	: Private placement of up to 30,557,154 Placement Shares, representing 20% of the issued shares in Adventa, pursuant to Sections 75 and 76 of the Act. For avoidance of doubt, the 20% general mandate may be utilised to issue new shares until 31 December 2021, after which, the 10% limit under Paragraph 6.03(1) of the Listing Requirements will be reinstated
"Proposed ESOS"	: Proposed establishment of an employees' shares option scheme to the Eligible Persons pursuant to the Proposed ESS
"Proposed ESS"	: Proposed establishment of an employee share scheme which comprises the Proposed ESOS and the Proposed SGP of up to 15% of the total number of issued shares in the Company (excluding treasury shares, if any) for Eligible Persons during the tenure of the Proposed ESS
"Proposed Renewal of RRPT Mandate"	: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature
"Proposed SGP"	: Proposed establishment of a share grant plan to the Eligible Persons pursuant to the Proposed ESS
"Recurrent Related Party Transaction(s)" or "RRPT(s)"	: Related party transaction which is recurrent, of a revenue or trading nature which is necessary for the Group's day-to-day operations and is entered into by the Group in the ordinary course of business which involves the interest, direct or indirect, of a Related Parties

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**DEFINITIONS (CONT'D)**

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"Related Party(ies)"	: A Director, a Major Shareholder or a Person Connected with such Director or Major Shareholder
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"Shareholders' Mandate"	: Shareholders' mandate obtained on 24 June 2021 for Adventa Group to enter into RRPTs based on the terms set out in the circular to shareholders dated 25 May 2021
"SGP Award(s)"	: The grant of award of such number of Adventa Share(s) to an Eligible Person at no payment by the Eligible Person
"SGP Participant(s)"	: Eligible Person(s) who has accepted the SGP Award(s) in accordance with the terms of the Proposed ESS
"UOBKH" or the "Adviser"	: UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
"VWAP"	: Volume weighted average market price

All references to "you" in this Circular are made to shareholders who are entitled to attend and vote at the AGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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## EXECUTIVE SUMMARY

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*This Executive Summary highlights only the salient information of the Proposed ESS. The shareholders of Adventa are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed ESS before voting at the AGM.*

Key information	Description	Reference to Circular
<b>Issue size and basis of allotment</b>	The maximum number of Adventa Shares which may be made available under the Proposed ESS shall not in aggregate exceed 15% of the total number of issued Shares in the Company (excluding treasury shares, if any) at any point in time during the tenure of the Proposed ESS.	<b>Section 2, Part A</b>
<b>Rationale and justifications</b>	<p>(i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;</p> <p>(ii) to attract and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Company's shares;</p> <p>(iii) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;</p> <p>(iv) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and</p> <p>(v) to possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level; and</p> <p>(vi) to give the Board the flexibility in awarding to Eligible Persons after taking into consideration the cost of ESS Awards, with the Proposed SGP being awarded at no cost to the Directors and senior management of the Group based on performance targets and the Proposed ESOS being awarded at cost to Eligible Persons based on length of service and/ or contribution to the Group. The allocation of Adventa Shares to be made available for the ESS Awards shall be determined by the ESS Committee on a fair and equitable basis based on the basis as set out in <b>Section 2.3(ii), Part A</b> of this Circular.</p>	<b>Section 4, Part A</b>
<b>Interests of Directors, major shareholders, chief executive and/ or persons connected</b>	Under the Proposed ESS, all the Directors and Chief Executive Officer of Adventa are entitled to participate in the Proposed ESS and are therefore deemed interested in the Proposed ESS to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed ESS.	<b>Section 8, Part A</b>
<b>Approvals required/ obtained</b>	<p>The Proposed ESS is conditional upon the following approvals being obtained:-</p> <p>(i) Bursa Securities, the approval of which has been obtained vide Bursa Securities' letter dated 22 April 2022;</p> <p>(ii) the shareholders of Adventa at the Nineteenth AGM to be convened; and</p> <p>(iii) Any other relevant authority, if required.</p>	<b>Section 7, Part A</b>
<b>Directors' recommendation</b>	<p>The Board, after having considered all aspects of the Proposed ESS, which include, but are not limited to, the basis, the rationale and the pro forma effects of the Proposed ESS, is of the opinion that the Proposed ESS is in the best interest of the Company.</p> <p>Accordingly, the Board recommends that you <b>vote in favour</b> of the resolutions pertaining to the Proposed ESS to be tabled at the forthcoming AGM.</p>	<b>Section 11, Part A</b>



**PART A**

**PROPOSED ESTABLISHMENT OF AN EMPLOYEE SHARE SCHEME OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN ADVENTA BERHAD ("ADVENTA" OR THE "COMPANY") (EXCLUDING TREASURY SHARES OF ADVENTA, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE EMPLOYEE SHARE SCHEME ("PROPOSED ESS")**



# ADVENTA BERHAD

## ADVENTA BERHAD

Registration No.: 200301016113 (618533-M)  
(Incorporated in Malaysia)

### Registered Office

21, Jalan Tandang 51/205A  
Seksyen 51  
46050 Petaling Jaya  
Selangor Darul Ehsan

17 May 2022

### Board of Directors

Edmond Cheah Swee Leng (*Chairman/ Senior Independent Non-Executive Director*)  
Low Chin Guan (*Executive Director*)  
Kwek Siew Leng (*Executive Director*)  
Toh Seng Thong (*Independent Non-Executive Director*)  
Dato' Selwyn Vijayarajan Das (*Independent Non-Executive Director*)

### To: Our shareholders

Dear Sirs/ Madam,

### PROPOSED ESS

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#### 1. INTRODUCTION

On 28 March 2022, UOBKH had, on behalf of the Board, announced that the Company proposed to undertake the establishment of an employee share scheme, which comprises the Proposed ESOS and the Proposed SGP, of up to 15% of the total number of issued shares in the Company (excluding treasury shares of Adventa, if any) at any point in time during the duration of the employee share scheme, for eligible employees and Directors of Adventa Group which are not dormant, who fulfil the eligibility criteria as set out in the by-laws of the employee share scheme.

On 22 April 2022, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 22 April 2022, resolved to approve the listing of and quotation for such number of new Shares, representing up to 15% of Adventa's total number of issued shares (excluding treasury shares of Adventa, if any) that may be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities subject to the conditions as set out in **Section 7, Part A** of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF ADVENTA WITH THE RELEVANT INFORMATION ON THE PROPOSED ESS AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS OF ADVENTA FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED ESS TO BE TABLED AT THE FORTHCOMING AGM. THE NOTICE OF AGM AND THE FORM OF PROXY ARE AVAILABLE FOR DOWNLOAD FROM THE COMPANY'S WEBSITE.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENT OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ESS TO BE TABLED AT THE FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSED ESS**

The Proposed ESS serves to attract, retain, motivate and reward the Eligible Persons through the award of Adventa Shares or the rights to subscribe for Adventa Shares as determined by the ESS Committee in accordance with the By-Laws. For avoidance of doubt, the Proposed ESS (save for the Proposed SGP) will also be extended to Non-Executive Directors of the Company in recognition of their contributions towards the growth and performance of the Group.

The Proposed ESS will be administered in accordance with the By-Laws by the ESS Committee, who will be responsible for, amongst others, implementing and administering the Proposed ESS. The members of the ESS Committee shall comprise such number of Directors and/ or senior management personnel of the Group to be identified from time to time. The Board will formulate and approve the terms of reference of the ESS Committee.

The Proposed ESS shall comprise of the Proposed SGP and Proposed ESOS. The Proposed SGP is intended to award Adventa Shares to Executive Directors and/ or senior management of the Group (excluding subsidiary companies which are dormant) whilst the Proposed ESOS is intended to allow the Company to award share options to Directors and employees of the Group, subject to them fulfilling certain vesting conditions as determined by the ESS Committee at a later date after the establishment of the Proposed ESS.

In implementing the Proposed ESS, the ESS Committee may at its absolute discretion decide that the ESS Awards be satisfied by the following methods:-

- (i) issuance of new Shares;
- (ii) transfer of the Company's treasury shares or any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof;
- (iii) acquisition of existing Shares from the market; or
- (iv) a combination of any of the above.

In considering whether to issue new Shares and/ or transfer of Company's treasury shares or any other methods as may be permitted by the Act, the ESS Committee will take into consideration, among others, factors such as the issue price of the new Shares (which shall be determined based on fair value of the Shares as at the date of the ESS Awards), the prevailing market price of the Shares, funding requirements of the Group, future returns and the potential cost arising from the granting of the ESS Awards. Further details on the potential cost arising from the granting of the ESS Awards are set out in **Section 5.3, Part A** of this Circular.

### **2.1 Proposed ESOS**

Under the Proposed ESOS, the ESS Committee may, within the tenure of the Proposed ESS and at its discretion, grant ESOS Options to Eligible Persons to subscribe Adventa Shares at a prescribed Option Price, subject to the terms and conditions of the By-Laws.

The ESOS Options will be granted from time to time during the tenure of the Proposed ESS at the sole and absolute discretion of the ESS Committee. Upon acceptance of the ESOS Awards by the ESOS Participants, the ESOS Awards will be vested to the ESOS Participants during the tenure of the Proposed ESS, subject to the ESOS Participants fulfilling certain vesting conditions as determined by the ESS Committee after the establishment of the Proposed ESS.

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the Option Price shall be determined by the Board upon recommendation of the ESS Committee based on the 5-day VWAP of Adventa Shares on the date which an ESOS Award is made by the ESS Committee to an Eligible Person, with a discount of not more than 10% or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time during the tenure of the Proposed ESS.

## **2.2 Proposed SGP**

Under the Proposed SGP, the ESS Committee may, within the tenure of the Proposed ESS and at its discretion, grant the SGP Awards to eligible executive Directors and/ or senior management of the Company and its subsidiary companies which are not dormant.

The SGP Awards will be awarded to the Eligible Persons on an annual basis or otherwise at the sole and absolute discretion of the ESS Committee. Upon acceptance of the SGP Awards by the SGP Participants, the SGP Awards will be vested to the SGP Participants over the tenure of the Proposed ESS at nil consideration, subject to the SGP Participants fulfilling certain vesting conditions as determined by the ESS Committee after the establishment of the Proposed ESS.

## **2.3 Indicative salient terms of the Proposed ESS**

### **(i) Maximum number of Shares available under the Proposed ESS**

The maximum number of Adventa Shares which may be made available under the Proposed ESS shall not in aggregate exceed 15% of the total number of issued Shares in the Company (excluding treasury shares, if any) at any point in time during the tenure of the Proposed ESS.

### **(ii) Basis of allotment and maximum allowable allotment**

Subject to the By-Laws, the aggregate number of Adventa Shares that may be allocated to any of the Eligible Persons who are entitled to participate in the Proposed ESS shall be at the sole and absolute discretion of the ESS Committee after taking into consideration, among others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the tenure of the Proposed ESS relating to employees' and/ or directors' share issuance scheme, the seniority, job grading, performance, annual appraised performance, length of service, and/ or contribution to the Group by the Eligible Person and/ or such other matters which the ESS Committee may in its sole and absolute discretion deem fit, and subject always to the following main parameters:-

- (a) the total number of Adventa Shares made available under the Proposed ESS shall not exceed the amount stated in **Section 2.3(i), Part A** of this Circular;
- (b) the Eligible Persons do not participate in the deliberation or discussion of their own allocation and those of persons connected to them;
- (c) no allocation of more than 10% of the Maximum Shares will be made to any Eligible Person who, either singly or collectively through persons connected with them, hold 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any),

- (d) up to a maximum of 80% of the total number of Adventa Shares available under the Proposed ESS could be allocated, in aggregate, to the Directors, which includes, amongst others, Independent/ Non-Independent and executive/ non-executive Directors and senior management of the Group who are Eligible Persons (where "senior management" refers to an employee of the Group holding the position of senior manager (including Executive Director) and above or other senior position as may be determined by the ESS Committee from time to time to be senior management and shall be subject to any criteria as may be determined at the sole discretion of the ESS Committee from time to time). This is intended to incentivise the Directors of the Group for their contribution towards development, growth and success and strategic direction to drive long term shareholder value enhancement of the Group and to incentivise the senior management of the Group for their commitment, dedication and loyalty towards attainment of higher performance;

For the avoidance of doubt, up to 80% of the total number of Adventa Shares will be distributed to both the Directors and senior management of the Group, which includes the key management personnel who are crucial to the Group's business development, growth and success. Currently, the Group is principally involved in the distribution of medical and healthcare equipment and storage and warehouse handling. On 25 July 2019, the Group had completed the disposal of its sterilisation of medical product and equipment and on 3 May 2021, the Group had completed the disposal of its renal dialysis treatment business. At this juncture, the Board intends to grow its remaining business further, in which the senior management has been tasked to undertake the future expansion plan. The allocation of up to 80% is to further incentivise the senior management for their key contribution in the business development and growth of Adventa moving forward. As such, the compensation for the Directors and senior management will be more aligned to shareholders' value creation,

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

The ESS Committee shall be entitled to determine the maximum number of ESS Awards that will be made available to an Eligible Person under the Proposed ESS, in the manner provided in the By-Laws in relation to each class or grade of the Eligible Persons and the aggregate maximum number of ESS Awards that can be awarded to the Eligible Persons under the Proposed ESS from time to time, and the decision of the ESS Committee shall be final and binding.

For avoidance of doubt, the ESS Committee may at its sole and absolute discretion determine whether the granting of the ESS Awards to the Eligible Persons shall be made in one single grant or staggered over the duration of the Proposed ESS and/ or whether the ESS Awards are subject to any vesting conditions including whether there is a need to meet certain performance targets. In any event that the granting of ESS Awards will be staggered, the granting of ESS Awards shall not exceed 15% at any point in time during the duration of the Proposed ESS.

**(iii) Eligibility**

Any Directors (including independent non-executive Directors) or any employee of a company within the Group (excluding subsidiary companies which are dormant) shall be eligible to be considered for participation in the Proposed ESS, if at the ESS Award Date, he/ she fulfils the following conditions:-

- (a) in respect of an employee:
  - (aa) he/ she has attained the age of at least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (bb) he/ she is confirmed in writing as a full time employee and has been in the employment of the Company or any company in the Group for such period as may be determined by the ESS Committee prior to and up to the ESS Award Date and has not served a notice to resign nor received a notice of termination;
  - (cc) if he/ she is serving in a specific designation under the employment contract for a fixed duration excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the ESS Committee; and/ or
  - (dd) fulfils any other criteria and/ or falls within such category as may be determined by the ESS Committee from time to time.
- (b) in respect of a Director:
  - (aa) he/ she has attained the age of least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (bb) if he/ she has been appointed as a Director of the Company or any company in the Group (including Executive or Non-Executive and/ or independent or non-independent Directors of Adventa but shall not include alternate and/ or substitute Directors or any Director of any other company within Adventa Group which is dormant) for such period as may be determined by the ESS Committee prior to and up to the ESS Award Date and has not served a notice to resign nor received a notice of termination; and
  - (cc) he/ she fulfils any other criteria and/ or falls within such category as may be set by the ESS Committee from time to time,

provided always that the selection of any such Director and employees for participation in the Proposed ESS and the determination of the number of ESS Awards shall be at the discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding.

In determining the eligibility of an Eligible Person to participate in the Proposed ESS, the ESS Committee may take into account amongst other factors, designation, role, function, length of service and/ or contribution to the relevant company within the Group, and/ or such other factors that the ESS Committee may in its sole and absolute discretion deem fit.

Subject to **Sections 2.3(iii)(a) and 2.3(iii)(b), Part A** of this Circular, there are no performance targets that need to be achieved by the ESS Participants before the SGP Awards can be vested and the ESOS Options can be exercised. Notwithstanding anything to the contrary in the By-laws, the ESS Committee may, in its absolute discretion decide to set performance targets in the future.

**(iv) Duration and termination**

The Proposed ESS, when implemented, shall be in force for a period of 5 years from the effective date of implementation of the Proposed ESS ("**Effective Date**"). The Company may, if the Board deems fit and upon the recommendation of the ESS Committee, extend the Proposed ESS for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date or such longer period as may be permitted by Bursa Securities or any other relevant authorities.

Such extended Proposed ESS shall be implemented in accordance with the terms of the By-Laws, save for any amendment and/ or change to the relevant statutes and/ or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Proposed ESS and the Company shall serve appropriate notices on each ESS Participant and/ or make any necessary announcements to any parties and/ or Bursa Securities (if required) within 30 days prior to the date of expiry of the Proposed ESS.

The Proposed ESS may be terminated by the ESS Committee at any time before the date of expiry of the Proposed ESS in accordance with the terms of the By-Laws provided that an announcement is released to Bursa Securities on the following:-

- (a) the effective date of termination;
- (b) the Adventa Shares vested pursuant to the Proposed SGP and/ or number of ESOS Options exercised pursuant to the Proposed ESOS; and
- (c) the reasons for termination.

Upon expiry or termination of the Proposed ESS, any ESS Awards which have yet to be vested or exercised (as the case may be and whether fully or partially) shall be deemed cancelled and be null and void.

Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of the Company by way of resolution in a general meeting and written consent of the ESS Participants in relation to the unvested Adventa Shares and/ or unexercised ESOS Options are not required to effect the termination of the Proposed ESS.

**(v) Basis of determining the Option Price**

For the Proposed ESOS, subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the Option Price of ESOS Options shall be the 5-day VWAP of Adventa Shares at the Date of Offer, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/ or any other relevant authorities from time to time at the ESS Committee's discretion, or such minimum Option Price as may be permitted by the provisions of the Act and the Listing Requirements, whichever is the higher, as determined by the Board upon recommendation of the ESS Committee.

For avoidance of doubt, the new Shares pursuant to the Proposed SGP will vest with the SGP Participants at no cost to the SGP Participants.

**(vi) Alteration of share capital and adjustment**

In the event of any alternation in the share capital of the Company during the tenure of the Proposed ESS (whether by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction or any variation of capital), the ESS Committee may, at its discretion, determine:

- (i) in respect of the Proposed ESOS, the Option Price and/ or the number of unexercised ESOS Options; and
- (ii) in respect of the Proposed SGP, the number of Shares comprised in unvested SGP Awards,

shall be adjusted and, if so, the manner in which such adjustments should be made.

Save as provided for in the By-Laws, the external auditors or the principal adviser (which must be a principal adviser under the Guidelines on Submission of Corporate and Capital Market Product Proposals issued by the Securities Commission Malaysia), may be engaged to confirm in writing that the adjustments are in their opinion fair and reasonable.

**(vii) Ranking of the ESOS Options and the Shares arising from the exercise of the ESOS Options and/ or upon vesting of the SGP Award**

The ESOS Participants will not be entitled to any voting right or participation in any form of distribution and/ or offer of further securities in the Company until and unless such ESOS Participants exercise their ESOS Options into new Shares.

Any new Shares to be issued under the Proposed ESS and/ or existing Shares procured by the Company for the transfer under the SGP Award or exercise of the ESOS Options (including vide treasury shares), shall upon allotment and issuance or transfer and full payment, rank equally in all respects with the existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the new Shares. The new Shares will be subject to all provisions of the Constitution of Adventa and such amendments thereafter, if any.

**(viii) Retention Period**

The ESS Committee shall be entitled to prescribe or impose, in relation to any ESS Award(s), any condition relating to any retention period or restriction on the transfer of the Shares to be issued and/ or transferred (vide treasury shares or purchase from open market) pursuant to the Proposed ESS as it deems fit.

Notwithstanding the above, pursuant to Paragraph 8.20 of the Listing Requirements, an Eligible Person who is a Non-Executive Director must not sell, transfer or assign Adventa Shares obtained through the exercise of the ESOS Options offered to him/ her within 1 year from the ESOS Award date.

**(ix) Listing of and quotation for the new Shares**

Bursa Securities had vide its letter dated 22 April 2022, approved the listing of and quotation for such number of new Adventa Shares, representing up to 15% of the total number of issued shares in the Company, which may be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities.



### 3. UTILISATION OF PROCEEDS

The Company will receive proceeds pursuant to the exercise of the ESOS Options by the Eligible Persons. However, the actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point of time and the Option Price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of the Group. The working capital would be used to fund the Group's day-to-day operations to support existing business operations which shall include, but not limited to, the payment of trade and other payables, staff costs such as salaries, statutory contributions and employee benefits e.g. medical and other operating expenses. The Company expects to utilise the proceeds for the said working capital requirements within a period of 12 months, as and when the proceeds are received throughout the tenure of the Proposed ESS.

The Company will not receive any proceeds pursuant to the Proposed SGP as the SGP Participants will not be required to pay for the new Shares to be issued and allotted to them and/ or the existing Shares to be transferred to them pursuant to the SGP Award.

Pending utilisation of proceeds raised as and when the ESOS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund the Group's working capital requirement.

### 4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED ESS

The implementation of the Proposed ESS primarily serves to align the interests of the Eligible Persons (i.e. the eligible employees and/ or Directors of Adventa Group (excluding subsidiary companies which are dormant) to the corporate goals of the Group. The Proposed ESS will provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the objectives as set out below:-

- (i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (ii) to attract and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Company's shares;
- (iii) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (iv) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and
- (v) to possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level; and
- (vi) to give the Board the flexibility in awarding to Eligible Persons after taking into consideration the cost of ESS Awards, with the Proposed SGP being awarded at no cost to the Directors and senior management of the Group but subject to specific performance target to be assessed based on amongst others, the revenue, earnings before interest, taxes, depreciation, and amortization (EBITDA), return of equity and individual performance whilst the Proposed ESOS being awarded at cost to Eligible Persons based on length of service and/ or contribution to the Group. The allocation of Adventa Shares to be made available for the ESS Awards shall be determined by the ESS Committee on a fair and equitable basis based on the basis as set out in **Section 2.3(ii), Part A** of this Circular.

The Proposed ESOS is also extended to non-executive Directors of Adventa and its subsidiary companies, which are not dormant, in recognition of their contributions towards the growth and performance of the Group.

## 5. EFFECTS OF THE PROPOSED ESS

### 5.1 Issued share capital

As at the LPD, the issued share capital of Adventa is approximately RM57,680,204 comprising 152,785,770 Adventa Shares.

For information purpose, the Company had obtained the approval from Bursa Securities, vide its letter dated 10 December 2021, for the listing and quotation of up to 30,557,154 Placement Shares, representing 20% of the issued shares in Adventa, pursuant to Sections 75 and 76 of the Act. As at the LPD, Adventa has not placed out any Placement Shares. For avoidance of doubt, the 20% general mandate may be utilised to issue new shares until 31 December 2021, after which, the 10% limit under Paragraph 6.03(1) of the Listing Requirements will be reinstated. As such, a total of up to 15,278,577 Placement Shares can be issued pursuant to the Private Placement.

The Proposed ESS will not have any immediate effect on the existing issued share capital of the Company until such time new Shares are issued pursuant to the Proposed ESS. The issued share capital of the Company may increase progressively depending on the number of new Shares to be issued arising from the exercise of the ESOS Options that may be granted under the Proposed ESOS and/ or pursuant to the vesting of the new Shares under the SGP Award. However, if existing Shares are to be transferred vide treasury shares or existing Shares to Eligible Persons pursuant to the Proposed ESS, there will be no effect on the issued share capital of the Company.

For illustration purposes, assuming 15% of the total number of Shares made available under the Proposed ESS are fully issued to the Eligible Persons upon the exercise of the ESOS Options or vesting of SGP Awards granted under the Proposed ESS, the pro-forma effects of the Proposed ESS on the issued share capital of the Company as at the LPD is as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of shares	RM	No. of shares	RM
Issued share capital as at the LPD	152,785,770	57,680,204	152,785,770	57,680,204
Placement Shares to be issued pursuant to the Private Placement	-	-	15,278,577	11,342,816 <sup>*1</sup>
	152,785,770	57,680,204	168,064,347	69,023,020
Shares to be issued pursuant to the Proposed ESS	22,917,865 <sup>*2</sup>	17,014,223 <sup>*3</sup>	25,209,652 <sup>*2</sup>	18,715,646 <sup>*3</sup>
Enlarged issued share capital	<b>175,703,635</b>	<b>74,694,427</b>	<b>193,273,999</b>	<b>87,738,666</b>

**Notes:-**

<sup>\*1</sup> Computed based on the indicative issue price of RM0.7424 per Placement Share, which represents a discount of approximately 9.99% to the 5-day VWAP of Adventa Shares up to and including the LPD of RM0.8248 per Adventa Share

<sup>\*2</sup> Computed based on 15% of the total number of issued Shares (excluding treasury shares, where applicable). For avoidance of doubt, the maximum number of Shares which may be made available pursuant to the Proposed ESS shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the tenure of the Proposed ESS

<sup>\*3</sup> Assuming the ESOS Options are exercised into new Shares at the indicative Option Price of RM0.7424 per Share

## 5.2 NA per Share and gearing ratio

Based on the latest audited consolidated statements of financial position of the Group as at 31 December 2021, the pro forma effects of the Proposed ESS on the NA per Share and gearing of the Group are set out as follows:-

### Minimum Scenario

	Audited as at 31 December 2021 RM	I After the issuance of shares pursuant to the Proposed ESS <sup>*1</sup> RM
Share capital	57,680,204	74,694,427
Retained earnings	10,598,486	10,461,486 <sup>*2</sup>
Foreign currency translation reserve	(244)	(244)
<b>Shareholders' fund/ NA</b>	<b>68,278,446</b>	<b>85,155,669</b>
No. of Shares in issue	152,785,770	175,703,635
NA per Share (RM)	0.45	0.49
Total borrowings (RM)	865,338	865,338
Gearing ratio (times)	0.01	0.01

#### Notes:-

<sup>\*1</sup> Assuming the exercise of 22,917,865 ESOS Options of up to 15% of the number of issued Adventa Shares under the Minimum Scenario pursuant to the Proposed ESS and assuming the ESOS Options are exercised into new Adventa Shares at the illustrative Option Price of RM0.7424 each

<sup>\*2</sup> After deducting the estimated expenses of RM137,000 in relation to the Proposed ESS

### Maximum Scenario

	Audited as at 31 December 2021 RM	I Assuming full issuance of Placement Shares <sup>*1</sup> RM	II After the issuance of shares pursuant to the Proposed ESS <sup>*3</sup> RM
Share capital	57,680,204	69,023,020	87,738,666
Retained earnings	10,598,486	10,318,486 <sup>*2</sup>	10,181,486 <sup>*4</sup>
Foreign currency translation reserve	(244)	(244)	(244)
<b>Shareholders' fund/ NA</b>	<b>68,278,446</b>	<b>79,341,262</b>	<b>97,919,908</b>
No. of Shares in issue	152,785,770	168,064,347	193,273,999
NA per Share (RM)	0.44	0.47	0.51
Total borrowings (RM)	865,338	865,338	865,338
Gearing ratio (times)	0.01	0.01	0.01

#### Notes:-

<sup>\*1</sup> Assuming 10% issuance and allotment of 15,278,577 Placement Shares at an indicative issue price of RM0.7424 per Placement Share

<sup>\*2</sup> After deducting the estimated expenses of RM280,000 in relation to the Private Placement

<sup>\*3</sup> Assuming the exercise of 25,209,652 ESOS Options of up to 15% of the number of issued Adventa Shares under the Maximum Scenario pursuant to the Proposed ESS and assuming the ESOS Options are exercised into new Adventa Shares at the illustrative Option Price of RM0.7424 each

<sup>\*4</sup> After deducting the estimated expenses of RM137,000 in relation to the Proposed ESS

Pursuant to the Proposed ESS, save for the potential impact of Malaysian Financial Reporting Standards 2, on "Share-Based Payment" ("**MFRS 2**") issued by the Malaysian Accounting Standards Board, as elaborated in **Section 5.3, Part A** of this Circular, the Proposed ESS is not expected to have any immediate effect on the NA, NA per Share and gearing of the Group until such time new Shares are issued.

Any potential effect on the NA, NA per Share and gearing of the Group in the future will depend on factors such as the actual number of Shares to be issued which can only be determined at the point of the exercise of the ESOS Options and Option Price and/ or the vesting of the SGP Award.

Upon vesting of the SGP Award and/ or exercise of the ESOS Options pursuant to the Proposed ESS, the NA per Share of the Group is expected to:-

- (i) increase if the Option Price of the ESOS Options or the fair value of the SGP Award is higher than the NA per Share of the Group; or
- (ii) decrease if the Option Price of the ESOS Options or the fair value of the SGP Award is lower than the NA per Share of the Group,

at such point of exercise and/ or vesting.

### **5.3 Earnings and EPS**

The Proposed ESS may have an effect on the earnings of the Group for the financial year ending 31 December 2022 and throughout the duration of the Proposed ESS upon implementation due to possible impact of the MFRS 2 on share-based payment. However, any potential effect on the EPS of the Group in the future would depend on the number of ESOS Options granted and exercised, and the Option Price payable upon the exercise of the ESOS Options under the Proposed ESOS and the number of Shares granted under the Proposed SGP, as well as the earnings impact of the MFRS 2 on share-based payment.

In accordance with MFRS 2, the cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options, which is expected to vest at each date of offer and is recognised in the statements of profit or loss and other comprehensive income over the vesting period of the ESOS Options, thereby reducing the earnings of the Group. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of the Shares, the risk-free rate, the Option Price of the ESOS Options and time to maturity of the ESOS Options from the vesting date of the ESOS Options. Hence, the potential effect on the EPS of the Group, as a consequence of the recognition of the said cost, cannot be determined at this juncture.

Under MFRS 2, the potential cost of awarding the Shares under the Proposed SGP will need to be measured at fair value on the date of granting and recognised as an expense in the statement of profit or loss and other comprehensive income of the Group over the vesting period of such Shares under the SGP Award. The extent of the effect of the Proposed SGP on the Group's EPS cannot be determined at this juncture as it would depend on the fair value of the Shares at the respective dates of the SGP Award. However, it is important to note that the potential cost of the award pursuant to the Proposed SGP does not represent a cash outflow and is only an accounting treatment.

Nevertheless, the Company has taken note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration such impact on the allocation and granting of ESOS Options and/ or SGP Awards to the Eligible Persons.

## 5.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed ESS on the substantial shareholders' shareholdings of the Company as at the LPD are set out below:-

### Minimum Scenario

Substantial shareholders	Shareholdings as at the LPD			After the issuance of shares pursuant to the Proposed ESS		
	<-----Direct-----> No. of Shares	% <sup>*1</sup>	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	% <sup>*2</sup>	<-----Indirect-----> No. of Shares
Low Chin Guan	59,035,652	38.64	-	59,035,652	33.60	-

Notes:-

<sup>\*1</sup> Based on the total issued shares of 152,785,770 in Adventa

<sup>\*2</sup> Based on the enlarged issued shares of 175,703,635 in Adventa

### Maximum Scenario

Substantial shareholders	Shareholdings as at the LPD			After full issuance of Placement Shares			After I and the issuance of shares pursuant to the Proposed ESS		
	<-----Direct-----> No. of Shares	% <sup>*1</sup>	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	% <sup>*2</sup>	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	% <sup>*3</sup>	<-----Indirect-----> No. of Shares
Low Chin Guan	59,035,652	38.64	-	59,035,652	35.13	-	59,035,652	30.55	-

Notes:-

<sup>\*1</sup> Based on the total issued shares of 152,785,770 in Adventa

<sup>\*2</sup> Based on the enlarged issued shares of 168,064,347 in Adventa

<sup>\*3</sup> Based on the enlarged issued shares of 193,273,999 of Adventa

The Proposed ESS will not have an immediate effect on the shareholdings of the substantial shareholders of Adventa until such time when the new Shares are issued pursuant to the Proposed ESS, which should result in a dilution in their shareholdings. Any potential effect on the substantial shareholdings in Adventa will depend on the number of ESOS Options granted and new Shares to be issued arising from the exercise of the ESOS Options under the Proposed ESOS as well as the number of new Adventa Shares issued under the Proposed SGP at any point in time.

## 5.5 Convertible Securities

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

## 6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Adventa Shares as traded on Bursa Securities for the past 12 months from May 2021 to April 2022 are set out below:-

	High RM	Low RM
<b>2021</b>		
May	2.780	0.800
June	2.120	0.895
July	2.230	1.130
August	1.830	1.590
September	1.660	1.320
October	1.220	1.300
November	1.720	1.620
December	1.500	0.775
<b>2022</b>		
January	1.100	0.850
February	1.140	0.815
March	0.930	0.730
April	1.020	0.810
Closing market price of Adventa Shares as at 25 March 2022 (being the latest trading day prior to the announcement on the Proposed ESS)		0.870
Last transacted market price as at the LPD		0.815

(Source: Bloomberg)

## 7. APPROVALS REQUIRED/ OBTAINED

The Proposed ESS is conditional upon the following approvals being obtained:-

- (i) Bursa Securities, for the listing of and quotation for such number of new Shares, representing up to 15% of Adventa's total number of issued shares (excluding treasury shares of Adventa, if any) that may be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities;

the approval of which has been obtained vide its letter dated 22 April 2022 subject to the following conditions:-

Conditions	Status of compliance
(a) Adventa and UOBKH must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Proposed ESS;	To be complied

Conditions	Status of compliance
(b) UOBKH is required to submit confirmation to Bursa Securities of full compliance of the Proposed ESS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation, together with the following:-	
(i) A certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESS; and	To be complied
(ii) Letter of compliance in relation to the By-Laws pursuant to Paragraph 2.12 of the Listing Requirements together with a copy of the final By-Laws.	To be complied
(c) Adventa is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the issuance of new Shares under the Proposed ESS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
(ii) the shareholders of Adventa at the Nineteenth AGM to be convened; and	
(iii) any other relevant authority, if required.	

The Proposed ESS is not conditional upon any other proposals undertaken or to be undertaken by the Company.

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

Under the Proposed ESS, all the Directors of Adventa are entitled to participate in the Proposed ESS and are therefore deemed interested in the Proposed ESS to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed ESS.

Accordingly, all the Directors of Adventa have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meeting(s) in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESS.

All the Directors of Adventa will also abstain from voting in respect of their direct and/ or indirect shareholdings, if any, at the AGM of the Company to be convened on the ordinary resolutions to be tabled for their respective proposed allocation, if any, as well as the proposed allocations to the persons connected to them, if any.

All the Directors of Adventa will undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings, if any, in the Company on the ordinary resolutions pertaining to their respective proposed allocation and the proposed allocations to the persons connected to them to be tabled at the AGM of the Company to be convened.

The Chief Executive Officer of Adventa, namely Datuk Mark Victor Rozario, who is also an Eligible Person under the Proposed ESS, will abstain from voting in respect of his direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the proposed allocation to himself, as well as the proposed allocations to the persons connected to him under the Proposed ESS, if any, to be tabled at the AGM of the Company to be convened. The Chief Executive Officer will also undertake to ensure that persons connected to him, if any, will abstain from voting in respect of his direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the proposed allocation to the Chief Executive Officer and the proposed allocations to the persons connected to him under the Proposed ESS, if any, to be tabled at the AGM of the Company to be convened.

The direct and indirect shareholdings of the Directors and Chief Executive Officer of Adventa as at the LPD are as follows:-

Director	Shareholdings as at the LPD			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
Low Chin Guan	59,035,652	38.64	-	-
Kwek Siew Leng	-	-	-	-
Toh Seng Thong	-	-	-	-
Edmond Cheah Swee Leng	-	-	-	-
Dato' Selwyn Vijayarajan Das	-	-	-	-
<b>Chief Executive Officer</b>				
Datuk Mark Victor Rozario	-	-	-	-

## 9. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed ESS is expected to be completed by the second quarter of 2022.

The tentative timetable in relation to the Proposed ESS is set out below:-

Timeline	Events
23 June 2022	<ul style="list-style-type: none"> <li>Convening of AGM</li> </ul>
End June 2022	<ul style="list-style-type: none"> <li>Implementation of the Proposed ESS</li> </ul>

## 10. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Private Placement and the Proposed ESS (which is the subject matter of this Circular), the Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the LPD.

## 11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed ESS, which include, but are not limited to, the basis, the rationale and the pro forma effects of the Proposed ESS, is of the opinion that the Proposed ESS is in the best interest of the Company.

However, in view that all the Directors of Adventa are eligible to participate in the Proposed ESS, they have abstained from deliberating and making any recommendations at all relevant Board meetings in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESS. They will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/ or indirect interests in Adventa, on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESS at the AGM of the Company to be convened. Where the resolutions are not related to their respective allocations or to the persons connected to them, if any, the Directors of Adventa, after having considered all aspects of the Proposed ESS, are of the opinion that the Proposed ESS is in the best interest of Adventa Group.

Accordingly, the Board recommends that you **vote in favour** of the resolutions pertaining to the Proposed ESS to be tabled at the forthcoming AGM.



## **12. THE 19TH AGM**

The 19th AGM of the Company is scheduled to be held on a virtual basis at the broadcast venue at Meeting Room of Adventa Berhad of 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan on Thursday, 23 June 2022, at 10:30 a.m., for the purpose of considering and if thought fit, passing with or without modifications, the resolution to give effect to the Proposed ESS pursuant to the agenda of Special Business as detailed herein.

If you are unable to attend and vote at the meeting, you may complete the Form of Proxy and deposit it at Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit via fax at 03-2094 9940 and/ or 03-2095 0292 or email to [info@sshshb.com.my](mailto:info@sshshb.com.my), not later than forty-eight (48) hours before the time appointed for holding the 19th AGM. Your proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://sshshb.net.my/>.

The lodging of the Form of Proxy does not preclude you from attending and voting in person at the 19th AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours the time stipulated for holding the 19th AGM.

Should you wish to personally participate at the 19th AGM remotely, please register electronically via Securities Services e-Portal at <https://sshshb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide for further details.

## **13. FURTHER INFORMATION**

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

Yours faithfully,  
For and on behalf of the Board  
**ADVENTA BERHAD**

**EDMOND CHEAH SWEE LENG**  
Chairman/ Senior Independent Non-Executive Director

**PART B**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OF  
TRADING NATURE**



# ADVENTA BERHAD

## ADVENTA BERHAD

Registration No. 200301016113 (618533-M)  
(Incorporated in Malaysia)

### Registered Office

21, Jalan Tandang 51/205A,  
Seksyen 51,  
46050 Petaling Jaya,  
Selangor Darul Ehsan

17 May 2022

### Board of Directors

Edmond Cheah Swee Leng (*Chairman / Senior Independent Non-Executive Director*)  
Low Chin Guan (*Executive Director*)  
Kwek Siew Leng (*Executive Director*)  
Toh Seng Thong (*Independent Non-Executive Director*)  
Dato' Selwyn Vijayarajan Das (*Independent Non-Executive Director*)

### To: The shareholders of Adventa

Dear Sir/ Madam,

### PROPOSED RENEWAL OF RRPT MANDATE

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#### 1. INTRODUCTION

On 9 May 2022, the Board had announced to Bursa Securities the Company's intention to seek the shareholders' approval for the Proposed Renewal of RRPT Mandate at the forthcoming Nineteenth ("**19th**") AGM.

The existing authority for Shareholders' Mandate which was approved by the shareholders at an AGM held on 24 June 2021, shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 19th AGM, unless renewal is obtained from the shareholders of Adventa at the forthcoming AGM.

The purpose of this Circular is to provide you with relevant information on the Proposed Renewal of RRPT Mandate and to seek your approval on the ordinary resolution in relation to the Proposed Renewal of RRPT Mandate to be tabled at the forthcoming 19th AGM.

The Company advise you to read and carefully consider the contents of this Circular before voting on the ordinary resolution in relation to the Proposed Renewal of RRPT Mandate to be tabled at the forthcoming 19th AGM. The notice of the 19th AGM and the Form of Proxy are available for download from the Company's website at <https://www.adventa.com.my/investor-relations-info>.

## **2. DETAILS OF THE PROPOSED RENEWAL OF RRPT MANDATE**

### **2.1 Introduction**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek a mandate from its shareholders for RRPTs subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (iii) the Company's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholders' mandate, the relevant Related Party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (v) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Proposed Renewal of RRPT Mandate is subject to annual renewal. The Proposed Renewal of RRPT Mandate, if approved, will take effect from the date of the passing of the ordinary resolution proposed at the forthcoming 19th AGM of the Company and will only continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

Adventa is seeking approval from the shareholders for the Proposed Renewal of RRPT Mandate which will allow the Group, in their normal course of business, to enter into the categories of RRPTs referred to in the ensuing sections provided that such transactions, are made at arms' length basis and based on the Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders.

## 2.2 Principal Activities of Adventa Group

The principal activities of Adventa are investment holding whilst the subsidiaries of Adventa are as follows:

Name	Effective equity interest (%)	Principal activities
Adventa Healthcare Sdn. Bhd. (formerly known as Sun Healthcare (M) Sdn. Bhd.)	100%	Distribution of medical and healthcare equipment, appliances and medical disposal products
PTM Progress Trading & Marketing Sdn. Bhd.	100%	Letting of property
Mycare Lanka (Private) Limited	51%	Distribution of medical and healthcare equipment, appliances and medical disposal products

## 2.3 Classes of Related Parties

The Related Parties in which the Proposed Renewal of RRPT Mandate is applicable are as follows:-

Name	Principal activities	Relationship
LCG	-	<ul style="list-style-type: none"><li>• Executive Director and Major Shareholder of Adventa</li><li>• Shareholder of Loriteh Sdn. Bhd.</li><li>• Shareholder and Director of Lucenxia (M) Sdn. Bhd.</li></ul>
Loriteh Sdn. Bhd.	Letting of properties	<ul style="list-style-type: none"><li>• LCG is the Shareholder of Loriteh Sdn. Bhd. by virtue of his 100% equity interest in Loriteh Sdn. Bhd.</li></ul>
Lucenxia (M) Sdn. Bhd.	Provision of home dialysis products for the treatment of end stage renal disease and its related activities	<ul style="list-style-type: none"><li>• LCG is the Director of Lucenxia (M) Sdn. Bhd.</li><li>• LCG is the Shareholder of Lucenxia (M) Sdn. Bhd. by virtue of his 100% equity interest in Lucenxia (M) Sdn. Bhd.</li></ul>

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## 2.4 Nature of RRPTs

The details of the RRPTs covered under the Proposed Renewal of RRPT Mandate are as follows:-

No.	Nature of RRPTs	Name of Company	Related Parties	Interested Directors and/ or interested Major Shareholders	Shareholders' Mandate*		Proposed Renewal of Existing Shareholders' Mandate for RRPTs@
					Actual aggregate value transacted from the date on which the existing mandate was obtained (24.06.2021) to LPD	Estimated aggregate value of transactions as disclosed in the Circular to Shareholders dated 25 May 2021	
1.	Rental of office  Address: No. 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan  Frequency of payment: monthly  Size: 4,460 square feet	Adventa Healthcare Sdn. Bhd. (formerly known as Sun Healthcare (M) Sdn. Bhd.)	LCG	LCG	RM127,500	RM153,000	RM153,000
2.	Rental of office  Address: No. 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan  Frequency of payment: monthly  Size: 2,958 square feet	Adventa	LCG	LCG	RM85,000	RM102,000	RM102,000

No.	Nature of RRPTs	Name of Company	Related Parties	Interested Directors and/ or interested Major Shareholders	Shareholders' Mandate*		Proposed Renewal of Existing Shareholders' Mandate for RRPTs®
					Actual aggregate value transacted from the date on which the existing mandate was obtained (24.06.2021) to LPD	Estimated aggregate value of transactions as disclosed in the Circular to Shareholders dated 25 May 2021	
3.	Rental of factory  Address: Lot 17503, Jalan 4, Taman Selayang, 68100 Batu Caves, Selangor Darul Ehsan  Frequency of payment: monthly  Size: 13,200 square feet	Adventa Healthcare Sdn. Bhd. (formerly known as Sun Healthcare (M) Sdn. Bhd.)	Loriteh Sdn. Bhd.	LCG (shareholder of Loriteh Sdn. Bhd.)	RM230,000	RM276,000	RM276,000
4.	Distribution of healthcare products	Adventa Healthcare Sdn. Bhd. (formerly known as Sun Healthcare (M) Sdn. Bhd.)	Lucenxia (M) Sdn. Bhd.	LCG (shareholder of Lucenxia (M) Sdn. Bhd.)	RM5,424,585	RM11,000,000	RM5,000,000

**Notes:-**

\* There is no deviation between the actual and estimated aggregate value of the transaction that exceeds by 10% or more.

® The estimated values as set out above are based on management estimates of the value of transactions to be undertaken for the period from the forthcoming 19th AGM to the next AGM. However, the value of transactions may be subject to changes.

## **2.5 Outstanding Recurrent Transaction Receivables**

There was no amount due and owing to the Group by its Related Parties pursuant to the RRPTs. As such, the disclosure as required under Paragraphs 16A and 16B in the Annexure PN12-A of the Listing Requirements, are not applicable.

## **2.6 Review and Disclosure Procedures on the RRPTs and Thresholds of Authority**

Adventa Group has established various procedures to ensure that RRPTs are undertaken at arm's length basis and on normal commercial terms which are consistent with the Adventa Group's normal business practices and policies, on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The review and disclosure procedures with regard to the RRPTs are as follows:-

- (a) Adventa Group will be notified of the Related Parties and will be required prior to entering into such transactions to ensure that all the RRPTs are consistent with the Adventa Group's normal business practices and policies which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;
- (b) Records will be maintained by the Adventa Group to capture all RRPTs which are entered into pursuant to the shareholders' mandate;
- (c) The Board and the Audit Committee shall have overall responsibility for the determination of the review procedures including addition of new review procedures where applicable. The Board and the Audit Committee may also appoint individuals and committees within the Adventa Group to examine the RRPTs as they deem appropriate. If a member of the Board or the Audit Committee has an interest, he will abstain from any deliberation and decision-making by the Board and/ or the Audit Committee in respect of the said transaction; and
- (d) Disclosure will be made in the Annual Report of the aggregate value of RRPTs conducted pursuant to the shareholders' mandate during the financial year.

As for the thresholds authority, Adventa Group has in placed internal charts of authority governing all business transactions. Since the RRPTs are conducted in the ordinary course of business, these are also covered under the charts of authority as there is no specific formal document in respect of thresholds authority for RRPTs.

Where practical and/ or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/ services and/ or quantities will be used as comparison for determining the price and terms offered to/ by the Related Parties are fair and reasonable as compared with those offered to/ by unrelated third parties. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined based on those offered to/ by other unrelated parties for substantially similar types of transactions to ensure that the RRPTs are not detrimental to Adventa Group.

## **2.7 Statement by Audit Committee**

The Audit Committee of the Company has seen and reviewed the procedures set out in **Section 2.6, Part B** of this Circular and is of the view that the review procedures for RRPTs are sufficient to ensure that the RRPTs will be entered into at arm's length and in accordance with the Group's normal commercial terms, and on terms which are not more favourable to the Related Parties than those generally available to the public, and hence, will not be detrimental to the minority shareholders. Any member of the Audit Committee who is interested in any RRPT shall not be involved in the review of the RRPT.



The Audit Committee is satisfied that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and the review of these procedures and processes are conducted on an annual basis or whenever the need arises.

### 3. RATIONALE AND BENEFITS OF THE PROPOSED RENEWAL OF RRPT MANDATE

The rationale for and benefits of the Proposed Renewal of RRPT Mandate to the Adventa Group are as follows:-

- (a) The Proposed Renewal of RRPT Mandate will facilitate transactions with the Related Parties which are carried out in the ordinary course of business of Adventa Group and are made on an arm's length basis and on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and not in the Company's opinion detrimental to the minority shareholders;
- (b) The Proposed Renewal of RRPT Mandate will enhance Adventa Group's ability to pursue business opportunities which may be time sensitive in nature and it may not be practical to seek shareholders' approval on a case-by-case basis before entering into such transactions;
- (c) The Proposed Renewal of RRPT Mandate will eliminate the need to make regular announcements or convene separate general meetings from time to time to seek shareholders' mandate approval, thereby reducing the administrative time and cost in convening such meetings without compromising the corporate objectives and adversely affecting the business opportunities available to Adventa Group.

### 4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER AND/ OR PERSONS CONNECTED WITH DIRECTOR/ MAJOR SHAREHOLDER

The interested Director and Major Shareholder in the Proposed Renewal of RRPT Mandate is LCG. LCG, being the interested Director and Major Shareholder in the RRPTs has abstained and will continue to abstain from Board deliberations and voting on the resolution pertaining to the Proposed Renewal of RRPT Mandate. LCG will abstain from voting and deliberations on the Proposed Renewal of RRPT Mandate at the forthcoming 19th AGM.

The interested Director and Major Shareholder has undertaken to ensure that persons connected to him will abstain from voting in respect of their shareholdings on the resolution pertaining to the Proposed Renewal of RRPT Mandate at the forthcoming 19th AGM.

Save as disclosed below, none of the other Directors, Major Shareholders and/ or persons connected to them has any direct and/ or indirect interest in the Proposed Renewal of RRPT Mandate.

The following table illustrates the direct and indirect interests of the interested Director and Major Shareholder of Adventa as at the LPD prior to the printing of this Circular:-

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
LCG	59,035,652	38.64	-	-

### 5. EFFECTS OF THE PROPOSED RENEWAL OF RRPT MANDATE

The Proposed Renewal of RRPT Mandate does not have any effect on the Issued Share Capital, NA, EPS, gearing and substantial shareholders' shareholdings of the Company and/ or the Group.

## **6. APPROVALS REQUIRED**

The Proposed Renewal of RRPT Mandate is subject to the approval of the shareholders of Adventa at the forthcoming 19th AGM.

## **7. DIRECTORS' RECOMMENDATION**

The Board (with the exception of LCG, who has abstained and will continue to abstain from making any opinion and recommendation on the Proposed Renewal of RRPT Mandate), having considered all aspects of the Proposed Renewal of RRPT Mandate, is of the opinion that the above is in the best interests of the Company and therefore recommends that you vote in favour of the resolution pertaining to Proposed Renewal of RRPT Mandate to be tabled at the forthcoming 19th AGM.

## **8. THE 19TH AGM**

The ordinary resolutions pertaining to the Proposed Renewal of RRPT Mandate is set out as special businesses in the Notice of 19th AGM of the Company. A copy of the Notice of 19th AGM, this Circular and Administrative Guide are available on the Company's website at <https://www.adventa.com.my/investor-relations-info>.

The 19th AGM of Adventa will be held on a virtual basis at the broadcast venue at Meeting Room of Adventa of 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan on Thursday, 23 June 2022 at 10:30 a.m.

If you are unable to attend and vote at the meeting, you may complete the Form of Proxy and deposit it at Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit via fax at 03-2094 9940 and/ or 03-2095 0292 or email to [info@sshhsb.com.my](mailto:info@sshhsb.com.my), not later than forty-eight (48) hours before the time appointed for holding the 19th AGM. Your proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://sshhsb.net.my/>. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the 19th AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours the time stipulated for holding the 19th AGM.

Should you wish to personally participate at the 19th AGM remotely, please register electronically via Securities Services e-Portal at <https://sshhsb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide for further details.

## **9. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix II for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**ADVENTA BERHAD**

**EDMOND CHEAH SWEE LENG**

Chairman / Senior Independent Non-Executive Director

**ADVENTA BERHAD**  
**[Registration No. 200301016113 (618533-M)]**

**BY-LAWS OF THE EMPLOYEES' SHARE SCHEME 2022 FOR DIRECTORS AND ELIGIBLE  
EMPLOYEES OF ADVENTA BERHAD AND ITS SUBSIDIARIES**

**1. DEFINITIONS AND INTERPRETATIONS**

1.1 In these By-laws, except where the context otherwise requires, the following expression in these By-laws shall have the following meanings:

<b>Act</b>	: The Companies Act, 2016, as amended from time to time and all regulations made thereunder and any re-enactment thereof
<b>Adventa Group or Group</b>	: Adventa and its Subsidiaries or any one or more of them as the context permits
<b>Adventa or Company</b>	: Adventa Berhad (Registration No. 200301016113 (618533-M))
<b>Adventa Shares or Shares</b>	: Ordinary shares in Adventa
<b>Adviser</b>	: A corporate finance adviser that may act as a Principal Adviser under the Securities Commission's Principal Adviser's Guidelines, as amended from time to time
<b>Authorised Nominee</b>	: A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of the Bursa Depository
<b>Award Letter</b>	: A letter of offer to Eligible Person(s) issued pursuant to an offer made by the ESS Committee under Part B or Part C, as the case may be, of these By-laws
<b>Board</b>	: Board of Directors of Adventa, as may be constituted from time to time
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W))
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (Registration No. 200301033577(635998-W))
<b>By-laws</b>	: The rules, terms and conditions of the Scheme as set out herein, and shall include any amendments or variations made thereto from time to time
<b>CDS</b>	: The Central Depository System governed under Central Depositories Act
<b>CDS Account</b>	: The Central Depository System account established by Bursa Depository for a Depositor for the recording of deposits and withdrawals of securities and dealings in such securities by the Depositors
<b>Central Depositories Act</b>	: The Securities Industry (Central Depositories) Act 1991 including any amendments made thereto from time to time

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**APPENDIX I – DRAFT ESS BY-LAWS**

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<b>Constitution</b>	: The constitution of the Company, including any amendments thereto that may be made from time to time
<b>Date of Expiry</b>	: The last day of the duration of this Scheme pursuant to By-law 6.1 hereof
<b>Depositor</b>	: A holder of a CDS Account
<b>Director(s)</b>	: A natural person who holds a directorship in an executive or non-executive capacity in any corporation in the Adventa Group
<b>Effective Date</b>	: The date for the launch and implementation of the Scheme being the date of full compliance with all relevant requirements of Chapter 6 of the Main Market Listing Requirements including the last of the approvals and/or conditions referred to in Bylaw 6.1 hereof have been obtained and/or complied with and to be determined by the ESS Committee;
<b>Eligible Person(s)</b>	: Employee(s) or Director(s) of the Adventa Group (but shall not include alternate Directors) who meets the criteria of eligibility for participation in the Scheme as set out in By-law 7
<b>Employee</b>	: A natural person who is employed by and on the payroll of any corporation the Adventa Group, including Director(s) and person(s) recruited under contracts of employment within the Adventa Group
<b>Entitlement Date</b>	: The date as at the close of business on which the names of the shareholders of Adventa must appear on Adventa's record of depositors in order to participate in any dividends, rights, allotments or other distributions
<b>ESOS</b>	: The employees' share option scheme, a component of the Scheme as more particularly set out in Part B of these By-laws
<b>ESOS Award Date</b>	: The date of the Award Letter in which an ESOS Award(s) is awarded to any Eligible Person pursuant to an Award Letter
<b>ESOS Award(s)</b>	: The grant of an award of such number of ESOS Option(s) to Eligible Person(s) to subscribe for Adventa Shares at the Option Price in the manner and subject to the terms and conditions provided in these By-laws
<b>ESOS Option or Option</b>	: The right of an ESOS Participant to subscribe for new Adventa Share(s) under the ESOS pursuant to the contract constituted by the selected Eligible Person's acceptance of an ESOS Award in the manner indicated in By-law 36
<b>ESOS Participant(s)</b>	: Eligible Person(s) who has accepted an award of ESOS Options in accordance with the terms of the Scheme
<b>ESS Award Date(s)</b>	: The SGP Award Date(s) and/or the ESOS Award Date(s), as the case may be
<b>ESS Award(s)</b>	: The SGP Award(s) and/or the ESOS Award(s) as the case may be
<b>ESS Committee</b>	: The committee comprising Director(s) and/or Senior Management of Adventa Group appointed from time to time and authorised by the Board pursuant to By-law 16 to administer the Scheme in accordance with these By-laws

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**APPENDIX I – DRAFT ESS BY-LAWS**

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<b>ESS or Scheme</b>	: Scheme comprising the SGP Award(s) and/or ESOS Option and such Scheme to be known as "Adventa Berhad Group's Employees' Share Scheme 2022" and to be set up under and governed by these By-Laws
<b>ESS Participant or Participant</b>	: Means ESOS Participant(s) and/or SGP Participant(s), as the case may be
<b>ESS Period</b>	: A period commencing from the date the offer for the ESOS Options or a SGP Award, as the case may be, is accepted in accordance with these By-laws and expiring on the last day of the period referred to in By-law 6 or such other date which the ESS Committee may in its discretion decide, subject always to early termination in accordance with the provisions of By-law 6, provided that no ESS Period shall extend beyond the period referred to in By-law 6
<b>Exercise Period</b>	: The specific period or periods within the ESS Period during which ESOS Options may be exercised by ESS Participants, as determined by the ESS Committee subject to By-law 6
<b>Government</b>	: The Government of Malaysia
<b>Main Market Listing Requirements</b>	: The Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
<b>Market Day(s)</b>	: Any day(s) on which Bursa Securities is open for trading in securities
<b>Maximum Allowable Allocation</b>	: The maximum number of Adventa Shares that can be offered to an Eligible Person as stipulated in By-law 8
<b>Option Price</b>	: The price at which the ESOS Participant shall be entitled to subscribe for every new Adventa Share by exercising his/her ESOS Option(s) as determined in accordance with By-law 37
<b>Person connected</b>	: Has the meaning given to "person connected" adopted in Paragraph 1.01 of the Main Market Listing Requirements
<b>Registered Office</b>	: The registered address of Adventa being 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia
<b>RM and sen</b>	: Ringgit Malaysia and sen, respectively
<b>Rules of Bursa Depository</b>	: The Rules of Bursa Depository as issued pursuant to the Central Depositories Act
<b>Senior Management</b>	: Such employees of Adventa Group holding the position of senior manager (including executive Director) and above other senior position as the ESS Committee may at its sole discretion determine to be senior management
<b>SGP</b>	: The employee share grant plan, a component of the Scheme as more particularly set out in Part C of these By-laws

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**APPENDIX I – DRAFT ESS BY-LAWS**

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<b>SGP Award</b>	: The grant of an award of such number of Adventa Shares to Executive Director(s) and/or Employees of Adventa Group whom shall fulfil the criteria of an Eligible Person pursuant to the provisions of By-Law 7
<b>SGP Award Date(s)</b>	: The date of the Award Letter in which an SGP Award(s) is awarded to any Executive Director(s) or Employee of Adventa Group whom shall fulfil the criteria of an Eligible Person pursuant to the Award Letter
<b>SGP Participant(s)</b>	: Eligible Person(s) who has accepted SGP Award(s) in accordance with the terms of the Scheme
<b>Subsidiaries</b>	: Subsidiary corporations within the meaning of Section 4 of the Act of Adventa which are not dormant and shall include subsidiary corporations which are existing as at the Effective Date and those which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiary corporations which have been divested in the manner provided for in By-law 24.2 and which is determined by the ESS Committee at its absolute discretion from time to time to be a corporation participating under the Scheme in accordance with By-law 7
<b>Trust</b>	: The trust that may be established to facilitate the implementation of the Scheme
<b>Trust Deed</b>	: The trust deed(s) constituting the Trust to be executed between the Trustee and the Company (if applicable)
<b>Trustee</b>	: The trustee(s) that may be appointed by the Company for the Scheme from time to time
<b>Vesting Conditions</b>	: The conditions which are required to be fulfilled by a ESS Participant before the ESOS Option(s) and/or SGP Award(s) is capable of being vested onto the ESS Participant pursuant to the terms of these By-Laws

1.2 In these By-laws:

- (i) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or any other relevant regulatory authority);
- (ii) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-laws so far as such modification or re-enactment applies or is capable of applying to any ESS Award offered and accepted prior to the expiry of the Scheme and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced;
- (iii) words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;

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**APPENDIX I – DRAFT ESS BY-LAWS**

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- (iv) any liberty or power which may be exercised or any determination which may be made hereunder by the ESS Committee or the Board may be exercised at the ESS Committee's or the Board's absolute and unfettered discretion and the ESS Committee and/or the Board shall not be required to give any reason therefore except as may be required by the relevant authorities;
- (v) the headings in these By-laws are for convenience only and shall not be taken into account in the interpretation of these By-laws;
- (vi) if an event occurs 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 provided always if such date shall fall beyond the duration of the Scheme, then the stipulated day shall be taken to be the preceding Market Day;
- (vii) any reference to the Company and/or other person shall include a reference to the successors-in-title and permitted assigns; and
- (viii) unless otherwise stated herein and whenever applicable, the currency adopted for any matter referred to in this Bylaws is RM and sen, being the lawful currency of Malaysia.

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**PART A : GENERAL PROVISIONS OF THE SCHEME**

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**2. NAME OF THE SCHEME**

This Scheme will be called the "Adventa Berhad Group's Employees' Share Scheme 2022" and shall comprise of the ESOS and the SGP provided that prior to such specified future date of vesting or exercise, as the case may be, the relevant service condition(s) of the Eligible Persons and/or the relevant condition(s) as may be stipulated by the ESS Committee in the ESS Award(s), are duly fulfilled unless the ESS Committee otherwise determines.

**3. THE OBJECTIVES OF THE SCHEME**

The establishment of this Scheme is to: -

- i. serve as a long-term incentive plan to reward the Eligible Persons by aligning their interest with the corporate goals and objectives of the Adventa Group and allowing Eligible Persons to participate in Adventa Group's profitability and eventually realise any capital gains from appreciation in the value of Adventa Shares;
- ii. recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Adventa Group;
- iii. attract and reward the Eligible Persons by allowing them to participate in Adventa Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Adventa Shares;
- iv. motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- v. inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company;
- vi. possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level; and
- vii. give the Company the flexibility in awarding to Eligible Persons based on the financial performance of Adventa Group after taking into consideration the cost of ESS Awards, with the SGP being awarded at no cost to the Eligible Persons when Adventa Group is performing well and the ESOS being awarded at cost to Eligible Persons when Adventa Group is performing moderately. The allocation of Adventa Shares to be made available for the ESS Awards shall be determined by the ESS Committee on a fair and equitable basis based on the basis as set out in these Bylaws.

This Scheme (save for SGP) is also extended to non-executive directors in the Group in recognition of their contributions towards the growth and performance of the Adventa Group.

**4. APPLICATION OF PART A**

Unless otherwise expressly provided, the provisions of this Part A shall apply generally to the ESOS and the SGP.



**5. MAXIMUM NUMBER OF ADVENTA SHARES AVAILABLE UNDER THE SCHEME**

- 5.1 The total number of Adventa Shares which may be made available under the Scheme shall not in aggregate be more than fifteen per centum (15%) of the total number of issued shares of the Company (excluding treasury shares) at any one time during the duration of the Scheme ("**Maximum Adventa Shares**") whether or not such total number of Adventa Shares which may be made available under the Scheme shall be staggered over the duration of the Scheme. The ESS Committee has the discretion in determining whether the total number of Adventa Shares which may be made available under the Scheme shall be staggered over the duration of the Scheme.
- 5.2 Notwithstanding the provision of By-law 5.1 above or any other provisions contained herein, in the event the aggregate number of Adventa Shares granted under the Scheme exceeds the Maximum Adventa Shares at any point in time as a result of the Company purchasing its own shares or the Company undertaking any corporate proposal, no further ESS Awards shall be made until such aggregate number of Adventa Shares granted falls below the Maximum Adventa Shares. Any ESS Award(s) made prior to the adjustment of the number of issued Adventa Shares shall remain valid and exercisable in accordance with the provisions of this Scheme.
- 5.3 Adventa Shares which are the subject of ESS Awards which have lapsed for any reason whatsoever may be the subject of further ESS Awards made by the ESS Committee under the Scheme.
- 5.4 Adventa will use all reasonable efforts to make available/ensure that it has available and sufficient Adventa Shares to satisfy the ESS Awards made during the Scheme.

**6. DURATION AND TERMINATION OF THE SCHEME**

- 6.1 The Effective Date for launch or implementation of the Scheme shall be the date the last of the following approvals and/or conditions have been obtained and/or complied with:
- (a) the submission to Bursa Securities of the final copy of the By-laws together with a letter of compliance pursuant to paragraphs 2.12 and 6.42 of the Main Market Listing Requirements and a checklist showing compliance with Appendix 6E of the Main Market Listing Requirements;
  - (b) receipt of the approval-in-principle from Bursa Securities for the listing of the new Adventa Shares, if any, to be issued under the Scheme;
  - (c) procurement of the shareholders' approval for the Scheme at an extraordinary general meeting;
  - (d) the approval of any other relevant authorities for the Scheme (if any); and
  - (e) the fulfilment of all conditions attached to the above approvals, if any.

The Scheme, when implemented, shall be in force for a period of five (5) years from the Effective Date. The Company may, if the Board deems fit and upon the recommendation of the ESS Committee, extend the Scheme for a period of up to another five (5) years, immediately from the expiry of the first five (5) years, and shall not in aggregate exceed ten (10) years from the Effective Date or such longer period as may be permitted by Bursa Securities or any other relevant authorities. Such extended Scheme shall be implemented in accordance with the terms of these By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals from the shareholders of the Company or other persons or authorities shall be required for the extension of the Scheme and the Company shall serve appropriate notices on each ESS Participant and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within thirty (30) days prior to the Date of Expiry or such other period as may be stipulated by Bursa Securities.

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## APPENDIX I – DRAFT ESS BY-LAWS

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- 6.2 ESS Awards can only be made during the duration of the Scheme before the Date of Expiry.
- 6.3 Subject to By-law 6.4, the Company may at any time during the duration of the Scheme terminate the Scheme and, upon expiry of the notice period stipulated in By-law 6.4, shall immediately announce to Bursa Securities the:
- (a) effective date of termination of the Scheme ("**Termination Date**");
  - (b) number of ESOS Options exercised pursuant to the ESOS and Adventa Shares vested pursuant to the SGP; and
  - (c) reasons for termination of the Scheme.
- 6.4 Subject to By-law 15.3, prior to the termination of the Scheme pursuant to By-law 6.3, the Company shall provide thirty (30) days' notice to all ESS Participants and allow the ESS Participants to (a) exercise any vested but unexercised ESOS Options; and (b) transfer any shares of any vested SGP Awards prior to the Termination Date.
- 6.5 Notwithstanding anything to the contrary, all unvested and/or unexercised ESOS Options and/or SGP Awards shall lapse on the Date of Expiry or earlier termination of the Scheme pursuant to By-law 6.3.
- 6.6 The Company shall through its Adviser submit no later than five (5) Market Days after the Effective Date of the implementation of these By-laws, a confirmation to Bursa Securities of the full compliance of By-law 6.1 above stating the Effective Date of implementation of the Scheme, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the Scheme.
- 6.7 In the event of termination as stipulated in By-Law 6.3 above, the following provisions shall apply:
- (a) no further ESS Award(s) shall be granted by the ESS Committee from the Termination Date;
  - (b) all ESS Award(s) which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date; and
  - (c) any ESS Award(s) which have yet to be vested or exercised (as the case may be and whether fully or partially) granted under the Scheme shall be deemed cancelled and be null and void.
- 6.8 Approval or consent of the shareholders of the Company by way of a resolution in an extraordinary general meeting and written consent of ESS Participant(s) in relation to unvested and/or unexercised ESS Award(s) are not required to effect a termination of the Scheme.
- 7. ELIGIBILITY**
- 7.1 Subject to By-laws 7.2, 7.4 and 7.5 below, any Director or Employee of the Adventa Group shall be eligible to be considered for participation in the Scheme.

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## APPENDIX I – DRAFT ESS BY-LAWS

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- 7.2 In the case of an Eligible Person, he/ she will be eligible if at the ESS Award Date, the following eligibility criteria is fulfilled:
- (a) in respect of an Employee, the Employee must fulfil the following criteria as at the ESS Award Date:
    - (i) he/ she has attained the age of at least eighteen (18) years on the date of the Award Letter and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
    - (ii) he/ she is in employment within the Adventa Group for such period as may be determined by the ESS Committee prior and up to the ESS Award Date and has not served a notice to resign nor received a notice of termination;
    - (iii) if he/she is an employee, his/her employment has been confirmed in writing and is not under any probationary period;
    - (iv) if he is serving in a specific designation under the employment contract for a fixed duration excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the ESS Committee; and/or
    - (v) is under such categories and criteria that the ESS Committee may from time to time decide at its absolute discretion,
  - (b) in respect of a Director, the Director must fulfil the following criteria as at the ESS Award date:
    - (i) if he/she has attained the age of at least eighteen (18 years) on the date of the Award Letter and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
    - (ii) if has been appointed as a Director of the Company or any corporation in the Adventa Group (including executive or non-executive and/or independent or non-independent Directors of Adventa Group but shall not include alternate and/or substitute Directors or any Director of any other company within Adventa Group which is dormant) for such period as may be determined by the ESS Committee prior and up to the ESS Award Date and has not served a notice to resign nor received a notice of termination; and
    - (iii) is under such categories and criteria that the ESS Committee may from time to time decide at its absolute discretion.

**PROVIDED ALWAYS THAT** the selection of any Director or Employee for participation in the Scheme and the determination of the number of ESS Awards shall be at the discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the Scheme, the ESS Committee may take into account amongst other factors, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the tenure of the Scheme relating to employees' and/ or directors' share issuance scheme, designation, role, function, performance, job class or grading, annual appraised performance, seniority, length of service and/or contribution to the relevant corporation within the Adventa Group, and/or such other factors that the ESS Committee may in its sole and absolute discretion deem fit. The ESS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above.

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## APPENDIX I – DRAFT ESS BY-LAWS

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7.3 No ESS Award, allocation under the Scheme and the related allotment and/or vesting of Adventa Shares shall be made to the following persons unless the shareholders of Adventa in a general meeting shall have approved the specific allocation and allotment and/or award to such persons:

- (a) any Eligible Person who is a director, major shareholder or chief executive officer of Adventa or holding company of Adventa (if any) ("**interested director**", "**interested major shareholder**" and "**interested chief executive**"); or
- (b) an Eligible Person who is connected with an interested director, interested major shareholder or interested chief executive ("**interested person connected with a director, major shareholder or chief executive**").

In a meeting to obtain shareholder approval in respect of the above allocation, allotment and/or grant:

- (a) to an Eligible Person who is the interested director, interested major shareholder, interested chief executive or interested person connected with a director, major shareholder or chief executive; and
- (ii) where the allocation and allotment is in favour of an Eligible Person who is an interested person connected with a director, major shareholder or chief executive, such director, major shareholder or chief executive,

must not vote on the resolution approving the said allocation and allotment and/or award. An interested director, interested major shareholder or interested chief executive must ensure that such persons connected with him/her abstain from voting on the resolution approving the said allocation and allotment and/or award.

7.4 For the avoidance of doubt, the following persons are not Eligible Persons and do not qualify for participation in the Scheme:

- (a) subject to By-law 24 below, employees of a corporation which has ceased to be a subsidiary of Adventa; and
- (b) a Director or employee of a corporation within the Adventa Group which is dormant.

7.5 Unless otherwise determined by the ESS Committee, an ESS Participant under the Scheme shall not be entitled to participate in any other share issuance scheme, share grant scheme or share scheme which may be implemented by any other corporation in the Adventa Group during the duration of the Scheme.

7.6 Executive Directors and Employees of Adventa Group may be eligible to participate in either or both the ESOS and/or the SGP, as may be determined by the ESS Committee.

7.7 Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options or Adventa Shares comprised herein unless an ESS Award pursuant to an Award Letter has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the ESS Award and has fulfilled the conditions in the ESS Award (if any).

7.8 Notwithstanding anything to the contrary in these By-laws subject always to By-laws 17 and 18, the ESS Committee may, in its discretion, waive the eligibility criteria set out in By-law 7.2 or at its discretion decide not to make a ESS Award(s). The eligibility and number of ESS Award(s) to be awarded to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the ESS Committee and the decision of the ESS Committee shall be final and binding.

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**APPENDIX I – DRAFT ESS BY-LAWS**

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- 7.9 Where an ESS Award is to an Eligible Person who is a member of the ESS Committee, such ESS Award shall be decided and carried out by the ESS Committee PROVIDED ALWAYS that such Eligible Person and persons connected to him/her who are also members of the ESS Committee shall abstain from all deliberations and voting in respect of the ESS Award proposed to be offered or awarded to him/her as well as persons connected to him/her or the proposed allocation to him/her as well as persons connected to him/her or the vesting of ESOS Options and/or Adventa Shares to him/her at the relevant ESS Committee meetings.

**8. MAXIMUM ALLOWABLE ALLOCATION AND BASIS OF ALLOCATION**

- 8.1 Subject to By-law 5 and any adjustments which may be made under these By-laws, the aggregate number of Adventa Shares that may be allocated to any of the Eligible Persons of the Adventa Group who are entitled to participate in the Scheme shall be on the basis set out in By-law 8.2 subject always to the following main parameters:

- (a) the Eligible Persons including Directors and Senior Management do not participate in the deliberation or discussion of their own allocation as well as to persons connected with them, if any;
- (b) the number of Adventa Shares allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty per centum (20%) or more of the total number of issued shares (excluding treasury shares) of the Company, does not exceed ten per centum (10%) of the Maximum Adventa Shares (or such other percentage as may be permitted by Bursa Securities and/or any other relevant authorities from time to time); and
- (c) up to 80% of the Maximum Adventa Shares shall be allocated in aggregate to the Directors and Senior Management of the Adventa Group. This is intended to incentivise the Directors of the Group for their contribution towards business development, growth and success and strategic direction to drive long term shareholder value enhancement of Adventa Group and to incentivise the senior management of the Group for their commitment, dedication and loyalty towards attainment of higher performance;

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Main Market Listing Requirements or any other relevant authorities as may be amended from time to time.

- 8.2 The basis for determining the aggregate number of Adventa Shares that may be offered and/or allocated under the Scheme to an Eligible Person shall be at the sole and absolute discretion of the ESS Committee after taking into consideration, inter alia, the provisions of the Main Market Listing Requirements or other applicable regulatory requirements prevailing during the tenure of the Scheme relating to employees' and/ or directors' share issuance scheme, the seniority, job class or grading, performance, annual appraised performance, length of service and/or contribution to the Group by the Eligible Person and/or such other matters which the ESS Committee may in its sole and absolute discretion deem fit and the Maximum Allowable Allocation as decided by the ESS Committee.
- 8.3 Subject to By-law 17, the ESS Committee may at its sole and absolute discretion and pursuant to By-law 16, amend or vary and/or include or preclude any basis or criteria which is applied in considering ESS Awards to Eligible Persons including the Maximum Allowable Allocation for which it shall deem necessary to introduce during the duration of the Scheme provided that these bases are in compliance with the relevant Main Market Listing Requirements and applicable laws.

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## APPENDIX I – DRAFT ESS BY-LAWS

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- 8.4 In the event that an Eligible Person is promoted, he/she shall be entitled to continue to hold all unvested ESOS Options and to exercise all vested but unexercised ESOS Options and/or be entitled to hold all unvested SGP Awards held by him/her. The Maximum Allowable Allotment applicable to such Eligible Person shall be the Maximum Allowable Allotment that may be awarded corresponding to the category of the employee of which he/she then is a party, subject always to the maximum number of Adventa Shares available under the Scheme as stipulated under By-law 5.
- 8.5 In the event that an Eligible Person is demoted, he shall be entitled to exercise all vested but unexercised ESOS Options and/or to all vested SGP Awards unless otherwise determined by the ESS Committee and the number of unvested ESOS Options and/or SGP Awards held by him/her at that time may be reduced by the ESS Committee in its sole and absolute discretion.
- 8.6 The ESS Committee shall not be obliged in any way to award, grant or vest to any Eligible Person any ESOS Options and/or SGP Awards. The decision of the ESS Committee shall be final and binding.
- 8.7 The allocation of ESOS Options and SGP Awards pursuant to the Scheme shall be verified by the Company's Audit Committee, as being in compliance with the criteria set out in these By-laws (where relevant) at the end of each financial year of the Company.
- 8.8 The ESS Committee may at its sole and absolute discretion determine whether granting of the ESS Award(s) to the Eligible Person will be staggered over the duration of the Scheme or in one (1) single grant and/or whether the ESS Award(s) are subject to any vesting period and if so, to determine the vesting conditions including whether such vesting conditions are subject to performance target.
- 8.9 If any Eligible Person is a member of the ESS Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her allocations as well as persons connected with them, if any.
- 8.10 At the time the ESS Award(s) is awarded in accordance with these By-laws, the ESS Committee shall set out the basis of the award, identifying the category or grade of the Eligible Person and the Maximum Allowable Allotment that may be awarded to such Eligible Person under the ESS Award(s), all of which may be amended and varied by the ESS Committee from time to time at its discretion in accordance with applicable laws and the Main Market Listing Requirements.

### 9. RIGHTS ATTACHING TO ESS AWARDS AND THE NEW ADVENTA SHARES

- 9.1 The ESOS Options and/or SGP Awards (as the case may be) shall not carry any right to vote at any general meeting of the Company until and unless such Adventa Shares have been issued, allotted and credited into the CDS Account of the ESS Participant.
- 9.2 An ESS Participant shall not be entitled to any dividends, right or other entitlements (including but not limited to offer of further securities) on his/her unvested or unexercised ESOS Options and/or unvested SGP Awards (as the case may be).
- 9.3 The new Adventa Shares to be allotted upon the vesting and exercise of the ESOS Options and/or vesting of the SGP Awards (as the case may be) (if any) shall upon allotment, issuance and full payment (if any), rank *pari passu* in all respects with the existing Adventa Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions declared, the Entitlement Date of which is prior to the date of allotment of the said new Adventa Shares and are subject to the provisions of the Constitution of the Company. In the event that any existing Adventa Shares or treasury shares are to be transferred upon the vesting of any Adventa Shares under the SGP Awards or vesting and exercise of the ESOS Options, the existing Adventa Shares or treasury shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is on or after to the date the Adventa Shares or treasury shares are credited into the CDS Account of the relevant ESS Participants.

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**APPENDIX I – DRAFT ESS BY-LAWS**

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9.4 All dividends, rights, allotments and/or any other distribution declared, made, paid or attached to the Adventa Shares held in trust by the Trustee (if any) shall form part of the Trust assets until such Adventa Shares are credited into the CDS Accounts of the respective ESS Participants in which event By-laws 9.1, 9.2 and 9.3 shall apply.

9.5 All Adventa Shares will be subject to all provisions of the Constitution of the Company.

**10. RIGHT TO ESTABLISH TRUST AND APPOINTMENT TRUSTEE**

10.1 The Company and/or the ESS Committee may establish a Trust to be administered by the Trustee for the purposes of implementing the Scheme. To enable the implementation of the Scheme and the acquisition or subscription of the Adventa Shares to satisfy the exercise of the ESOS Options or SGP Awards, the Trustee may, to the extent permitted by law and as set out under these By-Laws, receive funds from the Adventa Group or any other person in such bank account(s) to be established by the Trustee for the purpose of the Trust.

10.2 If a Trust is established, the Trustee shall administer the Trust in accordance with the Trust Deed. For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administering of the trust as the ESS Committee may in its discretion direct for the purpose of implementation or administration of the Trust.

10.3 The Company shall have the power from time to time to appoint, rescind or terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The ESS Committee shall not be under any obligation to give any reasons for such appointment, rescission or termination. The ESS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

**11. NON-TRANSFERABILITY**

11.1 An ESOS Option and/or SGP Award (as the case may be) is personal to the ESS Participant and, prior to the allotment and/or transfer to the ESS Participant of the Shares to which the ESS Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of (in whole or in part) in any manner whatsoever.

11.2 Unless permitted under these By-Laws, a ESS Award or the rights of the ESOS Participants under the ESOS Options shall not be transferred, assigned, disposed of or subject to any encumbrances by the ESS Participant. Any attempt to transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the ESOS Option and/or ESS Award (as the case may be).

**12. TERMINATION OF THE ESOS OPTIONS AND/OR SGP AWARDS**

12.1 Upon occurrence of one or more of the following events prior to the full vesting and allotment/transfer of any SGP Award and/or full vesting and exercise of any ESOS Option (as the case may be), such ESOS Option and/or SGP Award or the balance thereof that remained unvested, not allotted/transferred or unexercised, as the case may be, shall forthwith cease to be valid without any claim against the Company:

- (a) resignation, termination or cessation of employment of an Eligible Person or ESS Participant, for any reason;
- (b) expiry, termination or cessation of a contract of service of an Eligible Person or ESS Participant, for any reason; or
- (c) resignation, retirement or removal of a Director, for any reason.

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**APPENDIX I – DRAFT ESS BY-LAWS**

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PROVIDED ALWAYS THAT the ESS Committee may, at its absolute discretion, by notice in writing, stipulate the times or period at or within which such SGP Awards and/or ESOS Options shall vest all or in part (provided that no Adventa Shares and/or ESOS Options shall vest after the expiry of the ESS Period) or permit such vested but unexercised ESOS Option to remain exercisable during the ESS Period all or in part if such cessation occurs by reason of:

- (a) retirement upon or after attaining the retirement age under Adventa Group's retirement policy; or
- (b) retirement before attaining the normal retirement age with the consent of his/her employer; or
- (c) redundancy or retrenchment pursuant to the acceptance by that ESS Participant or a voluntary separation scheme offered by a corporation within the Adventa Group;
- (d) resignation, retirement or removal of a Director, for any reason, save where such resignation, retirement or removal was due to the breach of duty, gross negligence or wilful misconduct of such Director;
- (e) transfer to any corporation outside the Adventa Group at the direction of the Company; or
- (f) ill-health, injury, physical or mental disability; or
- (g) any other circumstances which are acceptable to the ESS Committee.

- 12.2 Unless otherwise agreed in writing by the ESS Committee at its absolute discretion, upon the resignation of the ESS Participant from his/her employment or contract of service with the Adventa Group, an ESOS Option and/or SGP Award (as the case may be) shall lapse forthwith on the date the ESS Participant tenders his/her resignation.
- 12.3 In the event a bankruptcy proceeding has commenced against a ESS Participant, the ESOS Option or SGP Award (as the case may be) shall be suspended pending the outcome of the bankruptcy proceedings. If the bankruptcy proceeding is withdrawn, the suspension shall be lifted and the unvested and/or unexercised ESOS Options and/or SGP Awards in respect of the ESS Award shall be capable to be vested to the said ESS Participant. However, an ESOS Option or SGP Award (as the case may be) shall immediately become void and of no further force and effect upon the ESS Participant being adjudicated a bankrupt.
- 12.4 In the event of the liquidation of the Company or termination of the Scheme, all unexercised or unvested or partially unexercised or partially unvested ESOS Options and SGP Awards shall lapse.
- 12.5 An ESOS Option or SGP Award (as the case may be) shall cease to be valid without any claim against the Company upon the happening of any event which results in the ESS Participant being deprived of the beneficial ownership of the ESOS Option or SGP Award on the date such event occurs.
- 12.6 An ESOS Option or SGP Award (as the case may be) shall cease to be valid upon termination of the Scheme pursuant to By-Law 6.
- 12.7 Upon the termination of the ESOS Options and/or SGP Awards (as the case may be) pursuant to this By-Law 12, the ESS Participant shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or under a contract of service or from the suspension of his/her right to exercise or be vested his/her ESOS Options and/or SGP Awards (as the case may be) or his/her ESOS Options and/or SGP Awards (as the case may be) ceasing to be valid.



**13. ALTERATION OF SHARE CAPITAL**

- 13.1 Notwithstanding anything contained in these By-laws and subject to any applicable laws and the Main Market Listing Requirements, in the event of any alteration in the capital structure of the Company prior to the Date of Expiry, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of Adventa Shares or reduction of capital or any other variation of capital, the ESS Committee may in its discretion in good faith cause such adjustment to be made to the number of Adventa Shares which shall be exercisable or vested under an ESOS Option(s) or SGP Award(s) and/or the Option Price.
- 13.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-law 13.1:
- (a) any adjustment to the Option Price shall be rounded up to the nearest one (1) sen; and
  - (b) in determining a ESS Participant's entitlement to subscribe for Adventa Shares and/or number of Adventa Shares to be vested, any fractional entitlements will be disregarded.
- 13.3 By-law 13.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of new Adventa Shares or other securities convertible into Adventa Shares or rights to acquire or subscribe for Adventa Shares in consideration or part consideration for an acquisition of any other securities, assets or business;
  - (b) a special issue of new Adventa Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authority to comply with the Government policy on Bumiputera capital participation;
  - (c) a private placement/restricted issue of new Adventa Shares by the Company;
  - (d) an issue of new Adventa Shares arising from the exercise of any conversion rights attached to securities convertible to Adventa Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
  - (e) an issue of new Adventa Shares upon the exercise of ESOS Option(s) or SGP Award(s) (if any) pursuant to the Scheme;
  - (f) any issue of Adventa Shares pursuant to a dividend reinvestment scheme or share dividend in accordance with the Main Market Listing Requirements so long as it is not a Capital Distribution (as defined below) or bonus issue;
  - (g) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act; and
  - (h) an issue of further ESOS Option(s) or SGP Award(s) to Eligible Persons under these By-laws; and
  - (i) any other proposals which will not result in an adjustment to the reference price of the Adventa Shares and as amended from time to time by the relevant authorities such as Bursa Securities and Securities Commission Malaysia.

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**APPENDIX I – DRAFT ESS BY-LAWS**

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- 13.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III (Division 7, Subdivision 2) of the Act, By-law 13.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company, save that By-law 13.3 shall be applicable in respect of such part(s) of the Scheme which involve(s) any alteration(s) in the capital structure of the Company which falls within By-law 13.3.
- 13.5 An adjustment pursuant to By-Law 13.1 shall be made according to the following terms:
- (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
  - (b) in the case of a consolidation or subdivision of Adventa Shares or reduction of capital, on date on which the consolidation or subdivision or capital reduction becomes effective, or such period as may be prescribed by Bursa Securities.
- 13.6 Save for any alteration in the capital structure of the Company during the duration of the Scheme arising from bonus issues, subdivision or consolidation of shares, all adjustments must be confirmed in writing by an external approved company auditor or Adventa's Adviser, acting as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable. Such confirmation shall be final and binding on all parties. For the purposes of this By-law, an approved company auditor shall have the meaning given in Section 2 of the Act and shall be the external auditors for the time being of the Company or such other external auditors as may be nominated by the Board.
- 13.7 The Board shall be guided by the adjustments as provided in the Schedule in determining the adjustments to be made pursuant to this By-law 13.
- 13.8 Upon any adjustment being made, the ESS Committee shall within ten (10) Market Days give notice in writing to the ESS Participant, to inform him/her of the adjustment and the event giving rise thereto.
- 13.9 Notwithstanding the other provisions referred to in the Schedule, in any circumstances where the ESS Committee considers that adjustments to the Option Price and/or any Adventa Shares relating to ESOS Options and/or SGP Awards to be issued or vested as provided for under the provisions hereof should not be made, or should be or should not be calculated on a different basis or different date or that an adjustment to the Option Price and/or the adjustments to the number of Adventa Shares to be issued or vested relating to ESOS Options and/or SGP Awards should be made notwithstanding that no adjustment is required under the provisions hereof, the Company may appoint an Adviser and/or an auditor to consider whether for any reasons whatever the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such Adviser and/or auditor shall consider the adjustment calculation or determination to be inappropriate, the adjustments shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such Adviser and/or auditor to be in their opinion appropriate.

**14. QUOTATION OF NEW SHARES**

- 14.1 If at the time of allotment of the new Adventa Shares pursuant to the exercise of an ESOS Option or allotment of Adventa Shares pursuant to an SGP Award (if any), the existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities for its permission for the listing of and quotation for the new Adventa Shares so allotted in accordance with By-law 39.4 and By-law 43.1 (as the case may be).

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- 14.2 The Company and the ESS Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Adventa Shares or in procuring Bursa Securities to list the Adventa Shares for which the ESS Participant(s) is entitled to.

**15. RETENTION PERIOD**

- 15.1 The Adventa Shares to be allotted and issued or transferred to the ESS Participant pursuant to this Scheme will not be subjected to any retention period unless otherwise as stated in the ESS Award(s) as determined by the ESS Committee from time to time. The expression "retention period" shall mean the period in which the Adventa Shares are awarded and issued pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed by the ESS Participant(s). However, the ESS Participant is encouraged to hold the Adventa Shares as an investment rather than to realise immediate gains from disposal.
- 15.2 Notwithstanding By-Law 15.1 above, the ESS Committee shall be entitled to prescribe or impose, in relation to any ESS Award(s), any condition relating to any retention period or restriction on transfer (if applicable) as the ESS Committee sees fit.
- 15.3 Notwithstanding By-Law 15.1 above, an Eligible Person who is a non-executive director must not sell, transfer or assign Adventa Shares obtained through the exercise of ESOS Options within one (1) year from the ESS Award Date pursuant to Paragraph 8.20 of the Listing Requirements.

**16. ADMINISTRATION**

- 16.1 This Scheme shall be administered by the ESS Committee comprising such persons as shall be appointed from time to time by the Board of Adventa. The Board of Adventa shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESS Committee.
- 16.2 The ESS Committee shall be vested with such powers and duties as are conferred upon it by the Board of Adventa to administer the Scheme in such manner as it shall in its discretion deem fit.
- 16.3 Without limiting the generality of By-Law 16.2, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any error(s) in the ESS Award(s), enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the Scheme which the ESS Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme, including the powers to:
- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and ESS Award(s) granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The ESS Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for the ESS Award(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
  - (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company.

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## APPENDIX I – DRAFT ESS BY-LAWS

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- 16.4 In implementing the Scheme, the ESS Committee may at its absolute discretion decide that the ESS Awards be satisfied by the following methods:
- (a) issuance of new Adventa Shares;
  - (b) transfer of the Company's treasury shares, Adventa Shares held by the Trustee and/or any other methods as may be permitted by the Act;
  - (c) acquisition of existing Adventa Shares from the market; or
  - (d) a combination of any of the above.
- 16.5 Any decision or determination of the ESS Committee made pursuant to the provisions of the Scheme (other than a matter to be certified and/or approved by the auditors or Advisers) shall be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to any dispute as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The ESS Committee shall not be required to furnish any reason for any decision or determination made by it except as may be required by the relevant authorities.
- 16.6 Neither the Scheme nor ESS Award under the Scheme shall impose on the Company, the Board, or the ESS Committee or any of its members any liability whatsoever in connection with:
- (i) the lapse of any ESS Award pursuant to any provision of the Scheme;
  - (ii) the failure or refusal by the ESS Committee to exercise, or the exercise by the ESS Committee of, any discretion under the Scheme; and/or
  - (iii) any decision or determination of the ESS Committee made pursuant to any provision of the Scheme.

## 17. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

- 17.1 Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities and their approvals being obtained (if required under the Listing Requirements and applicable laws and regulations), the ESS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-laws upon such recommendation **PROVIDED ALWAYS THAT** no additions or amendments to or deletions of these By-laws shall be made which will:
- (a) prejudice any rights then accrued to any ESS Participant without the prior consent or sanction of that ESS Participant (as the case may be);
  - (b) increase the number of Adventa Shares available under the Scheme beyond the Maximum Adventa Shares set out in By-Law 5 above;
  - (c) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
  - (d) alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in the By-laws by virtue of Appendix 6E of the Main Market Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Main Market Listing Requirements.

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- 17.2 Any amendments/modifications to the By-laws shall not contravene any of the provisions stipulated under the Main Market Listing Requirements and/or any other relevant regulatory authority in relation to share issuance schemes and/or share grant schemes.
- 17.3 Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments caused to be submitted to Bursa Securities the amended By-laws and a confirmation letter in the form required under the Main Market Listing Requirements that the said amendment and/or modification complies and does not contravene any of the provisions of the Main Market Listing Requirements on share issuance schemes and/or share grant schemes (as the case may be) and the Rules of Bursa Depository.
- 17.4 The ESS Committee shall within five (5) Market Days of any amendment and/or modification made pursuant to these By-Laws notify the ESS Participants in writing of any amendment and/or modification made pursuant to these By-Laws.

### 18. DISPUTES AND ERRORS AND OMISSIONS

- 18.1 In the event of any dispute or difference arising between the ESS Committee and an Eligible Person or a ESS Participant, as to any matter or thing of any nature arising hereunder, the ESS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the ESS Participant, as the case may be **PROVIDED THAT** where the dispute or difference is raised by a member of the ESS Committee, the said member shall abstain from voting in respect of the decision of the ESS Committee in that instance.
- 18.2 In the event the Eligible Person or the ESS Participant, as the case may be, shall dispute the decision made by the ESS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the ESS Committee shall abstain from voting in respect of the decision and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.
- 18.3 Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESS Committee shall be borne by such party.
- 18.4 If in consequence of an error or omission, the ESS Committee discovers or determines that:
- (a) an Eligible Person who was selected by the ESS Committee as an ESS Participant, has not been given the opportunity to participate in the Scheme on any occasion; or
  - (b) the number of Adventa Shares allotted, issued, transferred or vested to any ESS Participant on any occasion is found to be incorrect;

the ESS Committee and/or the Trustee 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 and/or the aggregate number of Adventa Shares to which the ESS Participant is correctly entitled to is credited into the ESS Participant's CDS account.

**19. SCHEME NOT A TERM OF EMPLOYMENT / CONTRACT OF SERVICE**

This Scheme shall not form part of or constitute or in any way be construed as a term or condition of employment or contract of service of any Eligible Person. This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment or contract of service in the Adventa Group nor any rights in addition to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment or contract of service. The terms of employment or contract of service of an Eligible Person shall not be affected by his/ her participation in the Scheme.

**20. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to the administration and management of the Scheme including but not limited to the fees, costs and expenses relating to the grant, vesting, allotment and issue and/or transfer of the Adventa Shares pursuant to the exercise or vesting of any ESOS Option or SGP Award shall be borne by the Company. Notwithstanding this, the ESS Participant shall bear any fees, costs and expenses incurred in relation to his/ her acceptance of an ESS Award and exercise of the ESOS Option, opening and maintaining of his/ her respective CDS Account and sale of Adventa Shares in the market.

**21. CONSTITUTION**

Notwithstanding the terms and conditions contained in these By-laws, if a situation of conflict should arise between these By-laws and the Constitution of the Company, the provisions of the Constitution of the Company shall prevail at all times save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements in which event such provisions of the Bylaws shall prevail.

**22. INSPECTION OF AUDITED ACCOUNTS**

All ESS Participants are entitled to inspect the latest audited accounts of the Company during the normal office hours on any working day at the Registered Office of the Company.

**23. TRANSFER FROM OTHER CORPORATIONS TO THE ADVENTA GROUP**

In the event that:

- (i) a Director or an Employee who was employed or under a contract of service in a corporation which is not within the Adventa Group and is subsequently transferred from such corporation to any corporation within the Adventa Group; or
- (ii) a Director or an Employee who was in the employment or under a contract of service with a corporation which subsequently becomes a member of the Adventa Group as a result of a restructuring exercise or otherwise involving Adventa and/or any corporation within the Adventa Group with any of the first mentioned corporation stated in (i) above;

(the first mentioned corporation in (i) and (ii) above are hereinafter referred to as the "Previous Company"), such a Director or an Employee of the Previous Company ("the Affected Director/Employee"), subject to By-law 6, will be eligible to participate in the Scheme only for the remaining duration of the Scheme, if the affected Director or Employee becomes an "Eligible Person" within the meaning under these By-Laws, subject always to the ESS Committee's discretion.

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For the avoidance of doubt, in the event of any acquisition or incorporation of any corporation into the Adventa Group pursuant to part (ii) above as a subsidiary pursuant to Section 4 of the Act, the Scheme shall apply to the Directors and Employees of such corporation on the date such corporation becomes a subsidiary of Adventa Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of "Eligible Person" under these By-Laws.

### 24. DIVESTMENT FROM THE ADVENTA GROUP

- 24.1 If a ESS Participant who held office or was in employment or under a contract of service with a corporation which ceases to be a corporation within the Adventa Group due to a subsequently disposal or divested (in whole or in part) from the Adventa Group, then such ESS Participant:
- (a) shall cease to be capable of being vested any unvested ESS Awards awarded to him/her under the Scheme, unless otherwise determined by the ESS Committee;
  - (b) will not be entitled to exercise any unexercised vested ESOS Options, unless the ESS Committee at its discretion permit such exercise of the unexercised vested ESOS Option or the vesting of the unvested ESS Awards including its allocation thereof. For the avoidance of doubt, save and except to the extent permitted by the ESS Committee, all existing ESS Awards shall automatically lapse and be null and void and of no further force and effect, and
  - (c) shall not be eligible to participate for further ESS Awards under the Scheme.
- 24.2 For the purpose of By-law 24.1, a corporation shall be deemed to be divested from the Adventa Group in the event that such corporation would no longer be a subsidiary of Adventa pursuant to Section 4 of the Act.

### 25. TAKEOVER AND DISPOSAL OF ASSETS

Subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (a) a take-over offer being made for the Company, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer ("**Offeror**") or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Adventa Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the ESS Participants that it intends so to exercise such rights on a specific date ("**Specified Date**"); or
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

the ESS Committee may at its discretion to the extent permitted by law permit the vesting of the ESS Awards and the ESS Participant(s) will be entitled to within such period to be determined by the ESS Committee to subscribe and/or exercise all or any of his/her ESS Awards and the Directors of Adventa shall use their best endeavours to procure that such a general offer be extended to the new Adventa Shares that may be issued pursuant to the ESS Award(s) under these By-Laws.

In the foregoing circumstances, all ESS Award(s) which the ESS Committee permits to be vested and/or exercisable, shall automatically lapse and become null and void to the extent remain unvested and/or unexercised by the date prescribed by the ESS Committee notwithstanding that the ESS Award vesting date has not commenced or has not expired.

## **26. SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION**

Notwithstanding By-laws 39 and 41 and subject to the discretion of the ESS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company or its amalgamation with any other corporation or corporations, the ESS Committee may at its absolute discretion decide whether an ESS Participant may be entitled to be vested and/or to exercise all or any of his/her unvested and/or unexercised ESS Awards at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective PROVIDED ALWAYS THAT no ESS Awards shall be vested and ESS Awards shall be subscribed and/or exercised after the expiry of the effective date of the compromise or arrangement. Upon the compromise or arrangement becoming effective, all unvested and/or unexercised ESS Awards shall automatically lapse and shall become null and void and of no further force and effect.

## **27. SUBSEQUENT EMPLOYEE SHARE SCHEMES**

Subject to the Main Market Listing Requirements, approval of the relevant authorities and/or the shareholders of the Company and without derogating the right of the Company to implement more than one employee share scheme, share issuance scheme and/or share grant scheme, the Company may establish a new employee share scheme, share issuance scheme and/or share grant scheme after the expiry date of this Scheme or upon termination of this Scheme.

## **28. NO COMPENSATION**

28.1 No Eligible Person shall be entitled to any compensation for damages or otherwise arising from the termination of the ESS Award(s) or this Scheme or prospective right or benefit under this Scheme pursuant to the provisions of these By-laws.

28.2 Notwithstanding any provisions of these By-laws:

- (a) this Scheme shall not form part of any contract of employment or contract of service between the Company or any corporation within the Adventa Group and any Eligible Person of any corporation of the Adventa Group. The rights of any Eligible Person under the terms of his/her office and/or employment or contract of service with any corporation within Adventa Group shall not be affected by his/her participation in the Scheme, nor shall such participation of the ESS Award(s) or consideration for the ESS Award(s) afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment or contract of service for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the ESS Award(s)) against the Company or any corporation of Adventa Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any corporation within Adventa Group;



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- (c) no ESS Participant(s) or his/her legal representative (as the case may be) shall bring any claim, action or proceeding against any corporation of Adventa Group, their directors, the ESS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights to his/her ESS Award(s) or his/her ESS Award(s) ceasing to be valid pursuant to the provisions of these By-laws; and
- (d) the Company, the Board (including Directors that had resigned but were on the Board during the duration of the Scheme), the Trustee or the ESS Committee shall in no event be liable to the ESS Participant(s) or his/her legal representative (as the case may be) or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-laws or any loss suffered by reason of any change in the price of the Adventa Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any corporation of Adventa Group, the Board or the ESS Committee has been advised of the possibility of such damage.

**29. TAXES**

All costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the Adventa Shares pursuant to the SGP Award(s) and/or exercising of the ESOS Option(s) under the Scheme shall be borne by the ESS Participant(s) for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

**30. WINDING UP**

All outstanding ESOS Options and SGP Awards shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

**31. SEVERABILITY**

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

**32. GOVERNING LAW AND JURISDICTION**

- 32.1 These By-laws shall be governed by and construed in accordance with the laws of Malaysia and the ESS Participant shall submit to the exclusive jurisdiction of the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-laws.
- 32.2 Any proceeding or action shall be instituted or taken in Malaysia and the ESS Participant irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.

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- 32.3 Any ESS Award made to Eligible Persons pursuant to the Scheme shall be valid strictly in Malaysia only and shall not be deemed to be made or offered in any country or jurisdiction other than Malaysia unless specifically mentioned otherwise by the ESS Committee in the ESS Award.

**33. NOTICE**

- 33.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the ESS Participant pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:

- (a) if it is sent by ordinary post by the Company to the Eligible Person or the ESS Participant at the last address known to the Company as being his/her address, such notice shall be deemed to have been received three (3) Market Days after posting;
- (b) if it is given by hand to the Eligible Person or the ESS Participant, such notice or request shall be deemed to have been received on the date of delivery;
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the ESS Participant, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the ESS Participant shall be communicated in writing to the Company and the ESS Committee.

- 33.2 Any certificate, notification, correspondence or other notice required to be given to the Company or the ESS Committee shall be properly given if in writing and sent by registered post or delivered by hand (with acknowledgement of receipt) to the Company at its business address at Lot 24, Jalan Hi-Tech 4, Kulim Hi-Tech Park (Phase 1), 09000 Kulim, Kedah Darul Aman, Malaysia or any other business address which may be notified in writing by the ESS Committee from time to time.
- 33.3 Notwithstanding By-Law 33.1, where any notice is required to be given by the Company or the ESS Committee under these By-Laws in relation to matters which may affect all the Eligible Persons or ESS Participants, as the case may be, the Company or the ESS Committee may give notice through an announcement to all Employees of the Adventa Group to be made in such manner deemed appropriate by the ESS Committee. Upon the making of such an announcement, the notice to be made under By-Law 33.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Person or ESS Participants, as the case may be.

**34. DECISION OF ESS COMMITTEE**

- 34.1 Any decision made by the ESS Committee under the Bylaws shall, save for any manifest or error, be final and binding.

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**PART B : ESOS**

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**35. AWARD OF ESOS OPTIONS**

- 35.1 The ESS Committee may, at any time during the duration of the Scheme as defined in By-law 6, make ESOS Award(s) of ESOS Options in writing to any Eligible Person (based on the criteria of allocation as set out in By-law 8) selected by the ESS Committee which selection shall be at the absolute discretion of the ESS Committee and the Company shall make the requisite announcements in respect thereof to Bursa Securities.
- 35.2 The actual number of Adventa Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESS Committee and, subject to any adjustments that may be made under By-law 13, shall not be less than one hundred (100) Adventa Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of one hundred (100) Adventa Shares.
- 35.3 An ESOS Award may be made upon such terms and conditions as the ESS Committee may decide from time to time. Each ESOS Award shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.
- 35.4 The ESS Committee may state the following particulars in the Award Letter (where applicable):
- (a) the number of ESOS Options that are being offered to the Eligible Person;
  - (b) the number of Adventa Shares which the Eligible Person shall be entitled to upon the vesting and exercise of the ESOS Options being offered;
  - (c) the ESS Period;
  - (d) the Exercise Period;
  - (e) the Option Price;
  - (f) the Validity Period as defined in By-law 35.1;
  - (g) whether the ESOS Award is conditional, any vesting, service and/or performance conditions ("**Vesting Conditions**"), the performance period, service period, vesting period, and vesting date(s) but in any event such period(s) and date(s) shall not be later than the Date of Expiry; and
  - (h) any other information deemed necessary by the ESS Committee.
- 35.5 Without prejudice to By-laws 17 and 18, in the event of an error on the part of the Company in stating any of the particulars referred to in By-law 35.4, the following provisions shall apply:
- (a) within one (1) month after discovery of the error, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in By-law 35.4;
  - (b) in the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental Award Letter shall remain as the Option Price as per the original Award Letter; and

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- (c) in the event that the error relates to the Option Price, the Option Price applicable in the supplemental Award Letter shall be the Option Price applicable as at the date of the original Award Letter, save and except with respect to any ESOS Option which have already been exercised as at the date of issue of the supplemental Award Letter.
- 35.6 Subject to By-law 34, nothing herein shall prevent the ESS Committee from making more than one (1) ESS Award to any Eligible Person **PROVIDED ALWAYS THAT** the total aggregate number of Adventa Shares which may be offered to any Eligible Person (inclusive of Adventa Shares previously offered under the Scheme, if any) shall not exceed the Maximum Allowable Allocation of that Eligible Person as set out in By-law 8.
- 35.7 The ESS Committee has the discretion not to make further additional ESOS Awards.
- 35.8 The ESOS Awards shall automatically lapse and be null and void in the event of the death of the Eligible Person or cessation of employment or contract services of the Eligible Person for any reason whatsoever prior to the acceptance of the ESOS Awards by the Eligible Person in the manner set out in By-law 36.
- 35.9 After each adjustment following an alteration of the Company's share capital as stipulated in By-laws 13.1 and 13.2 and the Company informing the ESOS Participant of such adjustment pursuant to By-law 13.8, upon the return by an ESOS Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within one (1) month from the date of return of the original Award Letter, to reflect the adjustment made to the number of ESOS Options granted to the ESOS Participant and/or the Option Price.
- 35.10 The ESS Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.
- 35.11 The Company shall keep and maintain at its own expense a register of ESOS Participants and shall enter the names, addresses and identity card or passport numbers of the ESOS Participants, the Maximum Allowable Allocation, the number of ESOS Options offered, the number of ESOS Options exercised, the ESOS Award Date and the Option Price and other particulars as may be prescribed under Section 129 of the Act.
- 35.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESS Committee to consider making, or to make, any ESOS Award to any or all of the Eligible Persons.
- 35.13 Each vested ESOS Option shall be exercisable into one (1) Adventa Share, fully issued and paid-up, in accordance with the provisions of these By-laws.

### 36. ACCEPTANCE OF THE AWARD

- 36.1 An ESOS Award of the ESOS Option(s) shall be valid for a period of thirty (30) calendar days from the ESOS Award Date or such period as the ESS Committee at its discretion, determines on a case-to-case basis ("**Validity Period**"). Acceptance of the said ESOS Award by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESS Committee in the form prescribed by the ESS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each ESOS Award (regardless of the number of shares comprised therein).

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- 36.2 In the event that the Eligible Person fails to accept the ESOS Award of the ESOS Option(s) or pay the acceptance consideration as set out in By-law 36.1 within the Validity Period and in the manner aforesaid, or in the event of death or cessation of employment or contract of services of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the ESOS Award(s), the said ESOS Award shall be deemed to have lapsed. The ESOS Option(s) comprised in such ESOS Award(s) may, at the discretion of the ESS Committee, be re-offered to the same or other Eligible Person.
- 36.3 Upon acceptance of the ESOS Award(s) by the Eligible Person(s), the ESOS Award(s) will be vested to the ESOS Participant(s) on the ESOS vesting date during the duration of the Scheme, subject to the ESOS Participant(s) fulfilling the vesting condition(s), if any, as determined by the ESS Committee.

**37. OPTION PRICE**

- 37.1 The Option Price of each Share comprised in any ESOS Option shall be:
- (a) the weighted average market price of the Adventa Shares for the five (5) Market Days at the time of the ESOS Award Date less a discount of not more than ten per centum (10%) therefrom or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time; or
  - (b) such minimum Option Price as may be permitted by the provisions of the Act and the Main Market Listing Requirements;
- whichever is higher, as determined by the Board upon recommendation of the ESS Committee which shall be binding and conclusive.
- 37.2 The Option Price shall be subject to any adjustments provided under By-law 13.

**38. VESTING CONDITIONS**

- 38.1 Subject to By-laws 6, 7 and 38.2, the ESOS Option(s) or such part thereof will only vest to the ESOS Participant on the vesting date(s) if:
- (a) the ESOS Participant remains in employment by or appointment in the Adventa Group as at the vesting date or in the case of a Director, remains as a Director with Adventa Group as at the Vesting Date(s); and
  - (b) the other Vesting Conditions (if any) are fully and duly satisfied.
- 38.2 The ESS Committee shall have the discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESS Committee shall have the right to make reference to (among others) the audited results of the Adventa Group, to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, to amend any Vesting Conditions if the ESS Committee decides that a changed performance target would be a fairer measure of performance.
- 38.3 Where the ESS Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the ESOS Option, the ESS Committee shall notify the ESOS Participant of the number of ESOS Options vested and the vesting date of such ESOS Option. No ESOS Participant shall have any right to exercise any ESOS Options granted to the ESOS Participant until the ESOS Options are vested on the ESOS Participant pursuant to these By-Laws. The decision and/or determination of the ESS Committee on the vesting of the ESOS Option on the ESOS Participant pursuant to these By-Laws shall be final and conclusive.

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- 38.4 Unless otherwise determined by the ESS Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that ESOS Option(s) shall lapse and be of no value.

**39. EXERCISE OF ESOS OPTIONS**

- 39.1 Subject to By-laws 39.2 and 39.7, an ESOS Option can be exercised by the ESOS Participant by notice in the prescribed form to the Company on the first or fifteenth of every month during the Exercise Period in respect of all or any part of the Adventa Shares comprised in the ESOS Option, such part being in multiples of one hundred (100) Adventa Shares. For the avoidance of doubt, if the first or fifteenth day of any month shall fall on a day which is not a Market Day, then the notice in writing by the ESOS Participant to the Company shall be submitted on the Market Day immediately following the first or fifteenth of the said month. Any partial exercise of an ESOS Option shall not preclude the ESOS Participant from exercising the ESOS Option in respect of the balance of the Adventa Shares comprised in the ESOS Option. In the event that an ESOS Participant's balance of ESOS Option(s) exercisable in accordance with these By-laws shall be less than 100 new Adventa Shares, the said balance shall, if exercised, be exercised in a single tranche.
- 39.2 Subject to By-laws 13 and 17, the ESS Committee may, at any time and from time to time, before and after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Adventa Shares and/or such percentage of the total Adventa Shares comprised in the ESOS Option during such periods within the ESS Period, subject to the exercise of the ESOS Option to any Vesting Condition determined by the ESS Committee at its sole and absolute discretion including but not limited to performance/ service targets being achieved before an ESOS Option(s) can be exercised and/or impose any other terms and/or conditions (including the time period to exercise the ESOS Option) as the ESS Committee may, in its sole discretion deem appropriate including amending or varying any terms or conditions imposed earlier.
- 39.3 Every such notice to exercise the ESOS Option referred to in By-law 39.1 shall be accompanied by a remittance in RM in the form of a bankers' draft or cashiers' order drawn and payable in Malaysia or any other from acceptable to the ESS Committee for the full amount of subscription monies (calculated in accordance with the provisions of By-law 39) in relation to the number of Adventa Shares in respect of which the written notice is given.
- 39.4 The Company shall allot and issue such new Adventa Shares and/or transfer from its treasury shares to the ESOS Participant in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice of allotment or transfer to the ESOS Participant and make an application for the listing of and quotation for the new Adventa Shares within eight (8) Market Days from the receipt by the Company of the aforesaid notice and remittance from the ESOS Participant or such other period as may be prescribed by Bursa Securities.
- 39.5 The ESS Committee, the Board of Adventa and the Company shall not under any circumstances whatsoever be liable for any costs, expenses, charges and damages whatsoever and howsoever arising whether arising directly or indirectly from any delay on the part of the Company in allotting and issuing of the new Adventa Shares and/or transferring from it treasury shares or in procuring Bursa Securities to list the new Adventa Shares for which the ESOS Participant is entitled to subscribe or otherwise or any delay in receipt or non-receipt by the Company of the notice to exercise the ESOS Option or for any errors in any ESOS Award or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.

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- 39.6 The ESOS Participant who exercises his/her ESOS Option shall provide the ESS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be, in the notice referred to in By-law 39.1. The Adventa Shares to be issued and/or transferred pursuant to the exercise of an ESOS Option will be credited directly into the CDS Account of the ESOS Participant or his/her Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS Account will be issued and/or transferred to the ESOS Participant within eight (8) Market Days from the receipt by the Company of the written notice of exercise of the ESOS Option together with the requisite remittance of monies or such other period as may be prescribed or allowed by Bursa Securities and no physical share certificate will be issued.
- 39.7 In the event that an ESOS Participant is subject to a performance improvement plan ("**PIP**")/disciplinary proceedings (whether or not such PIP/disciplinary proceedings will give rise to a dismissal or termination of service) the ESS Committee shall have the right, to suspend the ESOS Participant's ESOS Option from being vested and/or exercised pending the achievement of the stipulated improvement plan targets by the ESOS Participant/ the outcome of such disciplinary proceedings. The ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate having regard to the nature of the PIP/charges made or brought against the ESOS Participant **PROVIDED ALWAYS THAT:**
- (a) in the event that such ESOS Participant shall subsequently achieve the stipulated improvement plan targets/be found not guilty of the charges which give rise to such disciplinary proceedings, the ESS Committee shall reinstate the rights of such ESOS Participant to be vested and/or to exercise his/her vested ESOS Option;
  - (b) in the event the ESOS Participant fails to achieve the stipulated improvement plan targets/disciplinary proceedings result in a recommendation for the dismissal or termination of service of such ESOS Participant, the ESOS Option (whether or not vested) shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such ESOS Participant notwithstanding that such recommendation may be subsequently challenged by the ESOS Participant in any other forum; and
  - (c) in the event such ESOS Participant only partially achieves the stipulated improvement plan targets/is found guilty but not dismissed or termination of service is not recommended, the ESS Committee shall have the right to determine at its discretion whether or not the ESOS Participant may continue to be vested and/or to exercise his/her ESOS Option and/or adjust such number of ESOS Options to be vested and if so, to impose such limits, terms and conditions as it deems appropriate, on such vesting and/or exercise.

The ESS Committee may, after a warning /caution letter has been issued to an ESOS Participant by the relevant corporation within the Adventa Group suspend the ESOS Participant's ESOS Option from being vested and/or exercised until such time as the ESS Committee determines at its discretion whether or not the ESOS Participant may continue to be vested and/or exercise his/her ESOS Option and if so, whether to impose such limits, terms and conditions as the ESS Committee deems appropriate, on such vesting and/or exercise.

For the purpose of this By-laws, an ESOS Participant shall be deemed to be subject to "disciplinary proceedings" if:

- (i) he/ she is suspended from work pending investigation into his/ her conduct;
- (ii) he/ she is issued with a letter requiring him/ her to attend an internal domestic inquiry; or
- (iii) such other instances as the ESS Committee may deem as being subject to disciplinary proceedings.

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**APPENDIX I – DRAFT ESS BY-LAWS**

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- 39.8 All ESOS Options to the extent unexercised and/or unvested on the expiry or earlier termination of the ESS Period applicable thereto shall lapse.
- 39.9 Any failure to comply with the procedures specified by the ESS Committee or to provide information as required by the Company in the notice to exercise or inaccuracy in the CDS Account number provided shall result in the notice to exercise being rejected at the discretion of the ESS Committee. The ESS Committee shall inform the ESOS Participant of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and the ESOS Participant shall not have deemed to have exercised his/her ESOS Option.
- 39.10 The Company, the Board and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing or crediting the Adventa Shares or in procuring the relevant authorities to list and quote the Adventa Shares subscribed for by an ESOS Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice to exercise the ESOS Options or for any errors in any ESOS Options or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 39.11 Every ESOS Option shall be subjected to the condition that no Adventa Shares shall be vested, issued, transferred and/or credited pursuant to the exercise of an ESOS Option if such vesting, issue, transfer and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the ESS Period or such period as may be extended.
- 39.12 Notwithstanding anything to the contrary herein contained, the ESS Committee shall at any time during the ESS Period have the sole and absolute discretion to determine whether to purchase all but not part of the vested but unexercised ESOS Options from an ESOS Participant. The price payable for the purchase shall be:
- (a) the 3-month weighted average market price of Adventa Shares immediately before the date of the notice of the purchase in excess of the Option Price for each vested but unexercised ESOS Options held by the ESOS Participant; or
  - (b) RM1.00 for all vested but unexercised ESOS Options held by the ESOS Participant,
- whichever is the higher.
- Upon completion of the purchase of the vested but unexercised ESOS Options from the ESOS Participant all vested but unexercised ESOS Options purchased and all unvested ESOS Options held by that ESOS Participant shall lapse.
- 39.13 In implementing this Scheme but subject to the Act, Main Market Listing Requirements, Constitution and the applicable laws, the ESS Committee may at its absolute discretion decide that the ESOS Option be satisfied by the following methods:
- (a) issuance of new Adventa Shares;
  - (b) transfer of Adventa's treasury shares (if any) or any other methods as may be permitted by the Act; or
  - (c) a combination of any of the above.

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**PART C : SGP**

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**40. SGP AWARDS**

- 40.1 The ESS Committee may, at any time during the duration of the Scheme as defined in By-law 6, grant an SGP Award(s) (whether on an annual basis or otherwise at the sole and absolute discretion of the ESS Committee) in writing to any Eligible Person (based on the criteria of allocation as set out in By-law 8) selected by the ESS Committee which selection shall be at the absolute discretion of the ESS Committee and the Company may make the requisite announcements in respect thereof to Bursa Securities.
- 40.2 The actual number of Adventa Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESS Committee and, subject to any adjustments that may be made under By-law 13, shall not be less than one hundred (100) Adventa Shares but not more than the Maximum Allowable Allocation and shall always be in multiples of one hundred (100) Adventa Shares.
- 40.3 An SGP Award may be made upon such terms and conditions as the ESS Committee may decide from time to time. Each SGP Award shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.
- 40.4 The ESS Committee may state the following particulars in the Award Letter (where applicable):
- (a) the number of Adventa Shares to be granted to the Eligible Person;
  - (b) the ESS Period;
  - (c) the SGP Award Date;
  - (d) whether the SGP Award is conditional, the Vesting Conditions, the performance period, service period, vesting period, and vesting date(s) but in any event such period(s) and date(s) shall not be later than the Date of Expiry; and
  - (e) any other information deemed necessary by the ESS Committee.
- 40.5 The ESS Committee shall notify each SGP Participant of the SGP Award of such performance targets, performance period, service period, vesting period, Vesting Conditions, vesting date(s) or such other conditions to be stipulated by the ESS Committee and the number of Adventa Shares vested onto him/ her on the vesting dates PROVIDED THAT there may be excluded from such notice any information the disclosure of which the ESS Committee shall reasonably consider would prejudice confidentiality.
- 40.6 Without prejudice to By-laws 17 and 18, in the event of an error on the part of the Company in stating any of the particulars referred to in By-laws 40.4 and/or 40.5, the Company shall issue a supplemental Award Letter, stating the correct particulars referred to in By-law 40.4 and/or 40.5 within one (1) month after discovery of the error.
- 40.7 Subject to By-law 40, nothing herein shall prevent the ESS Committee from making more than one (1) SGP Award to any Eligible Person **PROVIDED ALWAYS THAT** the total aggregate number of Adventa Shares which may be offered to any Eligible Person (inclusive of Adventa Shares previously offered under the Scheme, if any) shall not exceed the Maximum Allowable Allocation of that Eligible Person as set out in By-law 8.
- 40.8 The ESS Committee has the discretion not to make further additional SGP Awards.

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- 40.9 The SGP Awards shall automatically lapse and be null and void in the event of the death of the Eligible Person or the Eligible Person ceasing to be employed by the Adventa Group for any reason whatsoever prior to the acceptance of the SGP Awards by the Eligible Person in the manner set out in By-law 41.
- 40.10 After each adjustment following an alteration of the Company's share capital as stipulated in By-laws 13.1 and 13.2 and the Company informing the SGP Participant of such adjustment pursuant to By-law 13.5, upon the return by an SGP Participant of the original Award Letter to the Company, that letter shall be amended or a new Award Letter shall be issued within one (1) month from the date of return of the original Award Letter, to reflect the adjustment made to the number of Adventa Shares granted to the SGP Participant.
- 40.11 The ESS Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any Vesting Condition, performance period, service period, vesting period or other conditions.
- 40.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESS Committee to consider making, or to make, any SGP Award to any or all of the Eligible Persons.

### 41. ACCEPTANCE OF THE SGP AWARD

- 41.1 An SGP Award shall be valid for a period of thirty (30) calendar days from the SGP Award Date or such period as the ESS Committee at its discretion, determines on a case to case basis ("**Validity Period**"). Acceptance of the said SGP Award by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESS Committee in the form prescribed by the ESS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each SGP Award (regardless of the number of shares comprised therein).
- 41.2 In the event that the Eligible Person fails to accept the SGP Award or pay the acceptance consideration as set out in By-law 41.1 within the Validity Period and in the manner aforesaid, or in the event of death or cessation of employment of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the SGP Award(s), the said SGP Award shall be deemed to have lapsed. The Adventa Shares comprised in such SGP Award(s) may, at the discretion of the ESS Committee, be re-offered to other Eligible Person.
- 41.3 Upon acceptance of the SGP Award(s) by the Eligible Person(s), the SGP Award(s) will be vested to the SGP Participant(s) on the SGP vesting date during the duration of the Scheme, subject to the SGP Participant(s) fulfilling the vesting condition(s), if any, as determined by the ESS Committee.

### 42. VESTING CONDITIONS

- 42.1 Subject to By-laws 6, 7 and 43.2, the Adventa Shares comprised in the SGP Award or such part thereof will only vest to the SGP Participant on the vesting date(s) if:
- (a) the SGP Participant remains in employment with the Adventa Group as at the vesting date; and
  - (b) the other Vesting Conditions (if any) are fully and duly satisfied.
- 42.2 The ESS Committee shall have the discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded, and in making any such determination, the ESS Committee shall have the right to make reference to (among others) the audited results of the Adventa Group, to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, to amend any Vesting Conditions if the ESS Committee decides that a changed performance target would be a fairer measure of performance.

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- 42.3 Where the ESS Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the SGP Award, the ESS Committee shall notify the SGP Participant of the number of Adventa Shares vested or which will be vested to the SGP Participant on the vesting date of such Adventa Shares. No SGP Participant shall have any right to or interest in the Adventa Shares granted to him unless and until the Adventa Shares are vested in him on and with effect from the date of vesting of the said Adventa Shares. The decision and/or determination of the ESS Committee on the vesting of the Adventa Shares on the SGP Participant pursuant to these By-Laws shall be final and conclusive.
- 42.4 Unless otherwise determined by the ESS Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the Award Letter, that SGP Award shall lapse and be of no value.
- 42.5 For the avoidance of doubt, the Adventa Shares will vest with the SGP Participants at no cost to the SGP Participants upon acceptance of the SGP Award by the SGP Participants and fulfilment of the Vesting Conditions and all other conditions as stipulated Clause 42.2 (if any).

### 43. DELIVERY OF ADVENTA SHARES

- 43.1 In respect of Adventa Shares which are vested onto a SGP Participant pursuant to By-law 42, the Company shall as soon as reasonably practicable following the date of vesting, credit such Adventa Shares to the SGP Participant's CDS Account in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice stating such number of Adventa Shares credited into the CDS Account of the SGP Participant. Where new Adventa Shares are to be allotted and issued following the vesting, the Company shall allot and issue and/or transfer such Adventa Shares to the SGP Participant in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice of allotment or transfer to the SGP Participant and make an application for the listing of and quotation for the new Adventa Shares.
- 43.2 The ESS Committee, the Board of Adventa and the Company shall not under any circumstances whatsoever be liable for any costs, expenses, charges and damages whatsoever and howsoever arising whether arising directly or indirectly from any delay on the part of the Company in crediting the Adventa Shares or for any errors in any SGP Award or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 43.3 The SGP Participant shall provide the ESS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be. The Adventa Shares to be credited pursuant to the vesting will be credited directly into the CDS Account of the SGP Participant or his/her Authorised Nominee, as the case may be and a notice stating the number of shares credited into such CDS Account will be issued to the SGP Participant and no physical share certificate will be issued.
- 43.4 In the event that a SGP Participant is subject to a PIP/ disciplinary proceedings (whether or not such PIP/disciplinary proceedings will give rise to a dismissal or termination of service) the ESS Committee shall have the right, to suspend the SGP Participant's SGP Award from being vested pending the achievement of the stipulated improvement plan targets by the SGP Participant/ the outcome of such disciplinary proceedings. The ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate having regard to the nature of the PIP/charges made or brought against the SGP Participant **PROVIDED ALWAYS THAT:**
- (a) in the event that such SGP Participant shall subsequently achieve the stipulated improvement plan targets/be found not guilty of the charges which give rise to such disciplinary proceedings, the ESS Committee shall reinstate the rights of such SGP Participant to continue to hold or be vested his/her SGP Award;

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- (b) in the event the SGP Participant fails to achieve the stipulated improvement plan targets/disciplinary proceedings result in a recommendation for the dismissal or termination of service of such SGP Participant, the SGP Award shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such SGP Participant notwithstanding that such recommendation may be subsequently challenged by the SGP Participant in any other forum; and
- (c) in the event such SGP Participant only partially achieves the stipulated improvement plan targets/ is found guilty but not dismissed or termination of service is not recommended, the ESS Committee shall have the right to determine at its discretion whether or not the SGP Participant may continue hold or be vested his/her SGP Award and/or adjust such number of SGP Awards to be vested and if so, to impose such limits, terms and conditions as it deems appropriate, on such vesting.

The ESS Committee may, after a warning /caution letter has been issued to a SGP Participant by the relevant corporation within the Adventa Group suspend the SGP Participant's SGP Award from being vested until such time as the ESS Committee determines at its discretion whether or not the SGP Participant may continue to be vested Adventa Shares under his/her SGP Award and if so, whether to impose such limits, terms and conditions as the ESS Committee deems appropriate, on such vesting.

For the purpose of this By-laws, an SGP Participant shall be deemed to be subject to "disciplinary proceedings" if:

- (i) he/ she is suspended from work pending investigation into his/ her conduct;
- (ii) he/ she is issued with a letter requiring him/ her to attend an internal domestic inquiry; or
- (iii) such other instances as the ESS Committee may deem as being subject to disciplinary proceedings.

- 43.5 All SGP Awards to the extent unvested on the expiry or earlier termination of the ESS Period applicable thereto shall lapse.
- 43.6 The Company, the Board and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in crediting the Adventa Shares or in procuring the relevant authorities to list and quote the Adventa Shares subscribed for by a SGP Participant (where applicable) or any delay in receipt or non-receipt by the Company of the notice or for any errors in any SGP Awards or any other matters or dealings which are outside the control of the Company, the Board and/or the ESS Committee.
- 43.7 Every SGP Award shall be subjected to the condition that no Adventa Shares shall be vested and/or credited pursuant to a SGP Award if such vesting and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the ESS Period or such period as may be extended.
- 43.8 Notwithstanding anything to the contrary herein contained, the ESS Committee shall at any time during the ESS Period have the sole and absolute discretion to determine whether to purchase all or part of the unvested SGP Awards from the SGP Participant. The price payable for the purchase shall be the 3-month weighted average market price of Adventa Shares immediately before the date of the notice of the purchase. Upon completion of the purchase, all unvested SGP Awards held by that SGP Participant (if any) shall lapse.

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**THE SCHEDULE**

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In addition to By-law 13.1 and not in derogation thereof, the Option Price and the number of **Adventa** Shares relating to the ESOS Option so far unvested and/or unexercised and/or relating to an SGP Award in so far as unvested shall from time to time be adjusted by the ESS Committee in accordance with the following relevant provisions in consultation with an Adviser and/or an auditor:

- (a) If and whenever a Adventa 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 Adventa Shares without capitalisation of profits or reserves) or conversion occurs, the Option Price shall be adjusted and the adjusted number of **Adventa** Shares relating to the ESOS Option / SGP Award (where applicable) to be issued or transferred shall be calculated in accordance with the following formula:

$$(i) \quad \text{New Option Price} = \frac{S \times L}{M}$$

$$(ii) \quad \begin{array}{l} \text{Adjusted number of} \\ \text{Adventa Shares} \end{array} = \frac{T \times M}{L}$$

Where:

L = the aggregate number of Adventa Shares in issue and fully paid-up immediately prior to the consolidation or subdivision or conversion; and

M = the aggregate number of Adventa Shares in issue and fully paid-up immediately after such consolidation or subdivision or conversion; and

S = existing Option Price; and

T = Existing number of Adventa Shares relating to the ESOS Option/ SGP Award; and

Each such adjustment will be effective from the day on which the consolidation or subdivision or conversion becomes effective.

- (b) If whenever the Company shall make any issue of Adventa Shares to ordinary shareholders for which no consideration is payable or which are credited as fully paid, by way of capitalisation of profits or reserves (other than an issue of Ordinary Shares to its members who had an option to take cash or other dividend in lieu of the relevant Ordinary Shares), the Option Price shall be adjusted by multiplying it by the following fraction:

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

and the adjusted number of Adventa Shares relating to the ESOS Option to be issued / the additional number of Adventa Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\begin{array}{l} \text{Adjusted number of} \\ \text{Adventa Shares} \end{array} = \frac{T \times (A + B)}{A}$$

where

A = the aggregate number of issued and fully paid-up Adventa Shares on the Entitlement Date immediately before such capitalisation;

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B = the aggregate number of Adventa Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (other than an issue of Ordinary Shares to its members who had an option to take cash or other dividend in lieu of the relevant Ordinary Shares);

S = as above.

T = as above.

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

(c) If and whenever the Company shall make:

- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own Ordinary Shares in accordance with the Companies Act 2016 (Act 777) and all other applicable laws and regulations); or
- (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for Adventa Shares by way of rights; or
- (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Adventa Shares or securities with rights to acquire or subscribe for Adventa Shares,

then and in respect of each such case, the Option Price shall be adjusted by multiplying it by the following fraction:

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

and in respect of the case referred to in Clause (c)(ii) above, the adjusted number of Adventa Shares comprised in the ESOS Option to be issued / the adjusted number of Adventa Shares to be vested and transferred under a SGP Award shall be calculated as follows:

$$\text{Adjusted Number of Adventa Shares} = T \times \left[ \frac{C}{C-D^*} \right]$$

where

T = as above;

C = the Current Market Price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the announcement of the Entitlement Date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (i) in the case of an offer or invitation to acquire or subscribe for Adventa Shares by way of rights under Clause (c)(ii) above or for securities convertible into Adventa Shares or securities with rights to acquire or subscribe for Adventa Shares under Clause (c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or

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- (ii) in the case of any other transaction falling within Clause (c), the fair market value, as determined by the Adviser and/or an auditor, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of definition (i) of D above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the formula:

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

where:

C = as C above;

E = the subscription consideration for one (1) additional Share under the terms of such offer or invitation or subscription price for one (1) additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation;

F = the number of Adventa Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into rights to acquire or subscribe for one (1) additional Share; and

D\* = the value of rights attributable to one (1) Share (as defined below).

For the purpose of definition D\* above, the "value of rights attributable to one (1) Share" shall be calculated in accordance with the formula:

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

where:

C = as C above;

E\* = the subscription price for one (1) additional Share under the terms of such offer or invitation; and

F\* = the number of Adventa Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of Clause (c), "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividend) or by way of issue of Adventa Shares (not falling under Clause (b)) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding an issue of Ordinary Shares to its members who had an option to take cash or other dividend in lieu of the relevant Ordinary Shares).

Any distribution out of profits or reserves made (whenever paid) shall be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Effective Date for the above transactions.

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- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to its ordinary shareholders as provided in Clause (c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the adjusted number of Adventa Shares relating to the ESOS Option to be issued / Adventa Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Adjusted Number of Shares (ESOS Option)} = T \times \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of Adventa Shares (SGP Award)} = \frac{T \times (G + H + B) \times C}{(G \times C) + (H \times I)}$$

Where:

- B = as B above;
- C = as C above;
- G = the aggregate number of issue and fully paid-up Adventa Shares on the Entitlement Date;
- H = the aggregate number of new Adventa Shares under an offer or invitation to acquire or subscribe for Adventa Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Adventa Shares or rights to acquire or subscribe for Adventa Shares, as the case may be;
- H\* = the aggregate number of new Adventa Shares under an offer or invitation to acquire or subscribe for Adventa Shares by way of rights;
- I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Adventa Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Adventa Share, as the case may be;
- I\* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Adventa Shares; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.



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- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Adventa Shares as provided in Clause (c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in Clause (c)(iii) above, the Option Price shall be adjusted by multiplying it by the following fraction:

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

and the adjusted number of Adventa Shares relating to the ESOS Option to be issued / Adventa Shares to be vested and transferred under the SGP Award shall be calculated as follows:

$$\text{Adjusted Number of Adventa Shares (ESOS Option)} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of Adventa Shares (SGP Award)} = \frac{T \times (G + H + J) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

C = as C above;

G = as G above;

H = as H above;

H\* = as H\* above;

I = as I above;

I\* = as I\* above;

J = the aggregate number of Adventa Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Adventa Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Adventa Share; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Clause (b) above and also makes an offer or invitation to acquire or subscribe for Adventa Shares to its ordinary shareholders as provided in Clause (c)(ii) above, together with rights to acquire or subscribe for Adventa Shares as provided in Clause (c)(iii) above, and the book closure date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

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

and the adjusted number of Adventa Shares relating to the ESOS Option to be issued / Adventa Shares to be vested and transferred under the SGP Award shall be calculated as follows:

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$$\text{Adjusted Number of Adventa Shares (ESOS Option)} = \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

$$\text{Adjusted Number of Adventa Shares (SGP Award)} = \frac{T \times (G + H + J + B) \times C}{(G \times C) + (H \times I) + (J \times K)}$$

where:

B	=	as B above;
C	=	as C above;
G	=	as G above;
H	=	as H above;
H*	=	as H* above;
I	=	as I above;
I*	=	as I* above;
J	=	as J above;
K	=	as K above; and
T	=	as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transaction.

(g) For the purpose of this Schedule:

- (i) "Current Market Price" means in relation to each Adventa Share for any relevant day the five (5) day volume weighted average market price for each Adventa Share on Bursa Securities for the five (5) consecutive Market Days before such date for one or more board lots of Adventa Shares on Bursa Securities or in such other manner as may from time to time be stipulated in any guidelines prescribed by any competent authorities, if any.

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. CONSENT**

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

**3. DECLARATION OF CONFLICT OF INTERESTS**

UOBKH has given its written confirmation that as at the date of this Circular, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to the Company for the Proposed ESS.

**4. MATERIAL COMMITMENTS**

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that has not been provided for which, upon becoming enforceable, may have a material impact on the Group's financial results/ position.

**5. CONTINGENT LIABILITIES**

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

**6. MATERIAL CONTRACTS**

As at the LPD, the Group has not entered into any contracts which are or may be material (not being contracts entered into the ordinary course of business) during the two (2) years immediately preceding the date of this Circular.

**7. MATERIAL LITIGATION**

As at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group as at the date of this Circular.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office at 21, Jalan Tandang 51/205A, Seksyen 51, 46050 Petaling Jaya, Selangor Darul Ehsan during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the AGM:-

- (i) The Constitution of Adventa;
- (ii) Audited consolidated financial statements for the past 2 financial years up to the FYE 31 December 2021;
- (iii) The letter of consent and declaration of conflict of interests referred to in **Sections 2 and 3** above, respectively; and
- (iv) The draft By-Laws, as set out in Appendix I of this Circular.