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COMFORT GLOVES BERHAD

Registration No. 193701000006 (852-D)
(Incorporated in Malaysia)

PART A

**STATEMENT IN RELATION TO THE PROPOSED
RENEWAL OF SHARE BUY BACK AUTHORITY**

PART B

**CIRCULAR TO SHAREHOLDERS IN RELATION
TO THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

The Resolutions in respect of the above proposal will be tabled at the 80th Annual General Meeting (“AGM”) of Comfort Gloves Berhad (“CGB”) to be held conducted through live streaming and online remote using Remote Participation and Voting Facilities (“RPV”) meeting platform at <https://web.vote2u.app> as a fully virtual general meeting. Notice of the AGM together with the Form of Proxy are enclosed in the Annual Report 2021 of CGB dispatched together with this Statement/Circular.

Form of Proxy should be lodged at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not later than 48 hours before the time set for the meeting or at any adjournment thereof. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging of the Form of Proxy : Sunday, 20 June 2021, 10.00 a.m.

Date and time of the AGM : Tuesday, 22 June 2021, 10.00 a.m.

This Statement is dated 24 May 2021.

DEFINITIONS

In this Statement, unless otherwise stated, the following abbreviations shall have the following meanings:

- “Act” - Companies Act, 2016 and any amendment thereto
- “AGM” - Annual General Meeting
- “Bursa Securities” - Bursa Malaysia Securities Berhad [200301033577(635998-W)]
- “CGB” or “the Company” - Comfort Gloves Berhad [Registration No. 193701000006 (852-D)]
- “CGB Group” or “Group” - CGB and its subsidiary companies as defined in Section 4 of the Companies Act, 2016 which are not dormant companies
- “CGB Share(s)” or “Share(s)” - Ordinary share(s) in CGB
- “Circular” - The Circular dated 24 May 2021
- “Constitution” - The Constitution of the Company
- “Director(s)” - given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding 6 months from the date on which the terms of the transactions were agreed upon:
 - (a) a Director of CGB or any other company which is its subsidiary or holding company; or
 - (b) a Chief Executive of CGB, its subsidiary or holding company
- “EPS” - Earnings per share
- “Listing Requirements” - Main Market Listing Requirements of Bursa Securities including any amendments to the Main Market Listing Requirements that may be made from time to time
- “LPD” - 30 April 2021, being the latest practicable date prior to the issuance of this Statement
- “Major Shareholder” - A person who has an interest(s) in voting share(s) in the Company and the number on aggregate number of those shares is: -
 - (a) Ten percent (10%) or more of the total number of voting shares in the Company; or
 - (b) Five percent (5%) or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company;and shall include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of CGB, its subsidiary or holding company.

“Interest” shall have the meaning of “interest in shares” given in Section 8 of the Act
- “MCCG” - Malaysian Code on Corporate Governance

“MMLR”	- Main Market Listing Requirement of Bursa Malaysia Securities Berhad and any amendment made thereto from time to time and any Practice Notes issued in relation
“NA”	- Net Assets
“Person(s) Connected”	- Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
“Proposed Amendments to Constitution”	- Proposed Amendments to the Existing Constitution of the Company
“Proposed Share Buy Back”	- Proposed purchase by CGB of its own shares on Bursa Securities of up to ten percent (10%) of its total number of issued shares of CGB
“Subsidiary(ies)”	- A subsidiary company of CGB as defined in Section 4 of the Companies Act, 2016
“Substantial Shareholder”	- A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of those shares, is not less than five percent (5%) of the aggregate of the total number of all the voting shares of the Company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Companies Act, 2016
“Treasury Shares”	- CGB Shares which have been bought back by the Company in accordance with the Companies Act, 2016 as authorised by the Articles and retained in treasury

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

Any references to “the Company” and “CGB” in this Circular are made to CGB, and all references to “the Group” and “CGB Group” are made to the Company and its subsidiary companies. All references to “we”, “us” and “our” are made to the Company, save and where the context otherwise requires, shall include its subsidiaries.

All references to “you” in this Circular are to the shareholders of CGB.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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

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COMFORT GLOVES BERHAD

Registration No. 193701000006 (852-D)
(Incorporated in Malaysia)

Registered Office

55A Medan Ipoh 1A, Medan Ipoh Bistari
31400 Ipoh, Perak Darul Ridzuan
Malaysia

24 May 2021

Board of Directors

Dato' Lau Eng Guang
Lau Joo Yong
Lau Joo Pern
Ng Seik Wah
Khoo Chie Yuan
Lum Dick Son

(Executive Chairman)
(Group Chief Executive Officer)
(Executive Director)
(Independent Non-Executive Director)
(Independent Non-Executive Director)
(Independent Non-Executive Director)

To : The Shareholders of CGB

Dear Sir/Madam

PART A

SHARE BUY BACK STATEMENT IN RELATION TO PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY

PART B

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

1. INTRODUCTION

On 12 April 2021, CGB had announced its intention to seek shareholders' mandate on the following Proposals at the forthcoming AGM to be held on Monday, 28 June 2021:

- a) Proposed Share Buy Back Authority;
- b) Proposed Amendments to the Constitution of the Company.

The purpose of this Statement/ Circular is to provide shareholders with the details on the Proposals and to seek shareholders' approval for the Resolutions to be tabled at the forthcoming AGM of the Company. The Notice of the 80th AGM together with the Form of Proxy have been sent to shareholders together with this Circular/Statement.

YOU ARE ADVISED TO READ THE CONTENTS AND THE APPENDIX OF THIS CIRCULAR AND TO CONSIDER CAREFULLY THE RECOMMENDATIONS BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING AGM. THE PROPOSALS ARE NOT INTERCONDITIONAL UPON ONE ANOTHER.

PART A

**SHARE BUY BACK STATEMENT IN RELATION
TO PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY**

1. INTRODUCTION

At the 79th Annual General Meeting held on 30 June 2020, the shareholders of the Company approved, inter alia, the authorisation for the Company to purchase its own Shares up to a limit of ten percent (10%) of the total number of issued shares of the Company. The said authorisation shall, in accordance with the Listing Requirements of Bursa Securities, expire at the conclusion of the forthcoming AGM which will be held on Tuesday, 22 June 2021, unless a new Authorisation is received.

Consequently, on 12 April 2021, the Company announced that your Board proposed to seek shareholders' approval for a new Authorisation to undertake to seek a renewal of the Share Buy Back Authority.

The purpose of this Share Buy Back Statement is to provide you with details of the Proposed Share Buy Back, to set out the recommendation of the Board thereon and to seek your approval for the resolution pertaining to the Proposed Share Buy Back to be tabled at the forthcoming AGM.

2. DETAILS OF THE PROPOSED SHARE BUY BACK

Your Directors propose that the shareholders give authority for the Company to purchase such amounts of its own Shares as may be determined by the Directors from time to time through Bursa Securities so that the net amount of Shares bought back or held as Treasury Shares do not exceed ten per centum (10%) of the Company's total number of its issued shares at any one time subject to compliance with the provisions of the Companies Act, 2016, the Listing Requirements of Bursa Securities and/or any other relevant authorities.

The approval from the shareholders for the Proposed Share Buy Back would be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy Back at the forthcoming AGM and shall be valid until: -

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first.

3. PURCHASE PRICE

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares at a price which is not more than fifteen percent (15%) above its weighted average market price on Bursa Securities for the past five (5) market days immediately preceding the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell or transfer Treasury Shares on Bursa Securities pursuant to Section 127(7) of the Act at:

- (a) a price which is not less than the weighted average market price for the Shares for the five (5) market days immediately before the date of the re-sale or transfer; or
- (b) a discounted price of not more than five percent (5%) to the weighted average market price for the shares for the five (5) market days immediately before the date of the re-sale or transfer, provided that:
 - (i) the re-sale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the re-sale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

4. MAXIMUM NUMBER OR PERCENTAGE OF SHARES TO BE PURCHASED

The Board proposes to seek a mandate from the shareholders of CGB to purchase and/or hold in aggregate up to ten percent (10%) of the total number of issued shares of the Company at any point in time through Bursa Securities.

As at the LPD, the details of the issued Shares are as follows:

	<u>No of Ordinary Shares</u>
Total Issued Shares	582,949,143*
10% of the Issued Shares	58,294,914
Less : Number of Treasury Shares held as at LPD	(2,506,100)
Balance available to be purchased under the Proposal	<u>55,788,814</u>
Note :	
* Inclusive of 2,506,100 CGB Shares that have been purchased and retained as Treasury Shares	

5. MAXIMUM AMOUNT OF FUNDS TO BE ALLOCATED AND THE SOURCE OF FUNDS

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Share Buy Back must be made wholly out of the retained profits of the Company.

The maximum funds to be allocated by the Company for the Proposed Share Buy Back shall not exceed the amount stated in the retained profits of the Company at the time of purchase. The Retained Profits of the Company based on its audited financial statements for the year ended 31 January 2021 is RM124,827,917.

The Proposed Share Buy Back will allow the Board to exercise the power of the Company to purchase its own shares at any time during the abovementioned period using the internally generated funds of the Group and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, the actual number of CGB Shares to be purchased and other relevant cost factors. The actual number of CGB Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits and the financial resources available to the Group.

Should the Proposed Share Buy Back be financed through bank borrowings, the Board will ensure that there are sufficient funds to repay such borrowings and that the Proposed Share Buy Back is not expected to have material effect on the working capital and cashflow of the CGB Group.

6. IMPLICATIONS OF THE CODE

In the event that the Company purchases the full amount of the CGB Shares authorised under the Proposed Share Buy Back and all the CGB Shares so purchased are held as treasury shares, the equity interest of the Substantial Shareholders and their respective parties acting in concert triggering the obligation to undertake a mandatory offer under Paragraph 15(2) of the General Principle 12 of the Code and Paragraph 4.01 of Rule 4 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, an exemption will be sought from the SC under Paragraph 4.15 of Rule 4 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, before the purchase is made.

For illustration, if the equity interest of any one of the Substantial Shareholders and their respective parties acting in concert increases to more than 33% but less than 50% of the voting shares of CGB and such that their shareholdings of CGB increases in a period of six (6) months from the dates of purchase by more than 2%, the affected Substantial Shareholder and parties acting in concert would be obliged to undertake a mandatory offer for the remaining CGB Shares not held by the said affected Substantial Shareholder and parties acting in concert.

SC may grant a waiver to undertake a mandatory offer under Practice Note 9 of the Code, subject to the affected Substantial Shareholder and parties acting in concert complying with certain conditions, if obligation is triggered as a result of any action outside its direct participation. The Substantial Shareholders of CGB as disclosed in Section 12 herein have indicated that they intend to apply for the proposed exemption under Paragraph 4.15 of Rule 4 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, if the obligation is expected to be triggered as a result of the Proposed Share Buy Back. The effects of the Proposed Share Buy Back on their shareholdings are set out in Section 12 herein.

7. TREATMENT OF SHARES BOUGHT BACK

In accordance with Section 127(4) of the Act, the Board is able to deal with any Purchased Shares in the following manner:

- (a) to cancel the Purchased Shares;
- (b) to retain the Purchased Shares as treasury shares; or
- (c) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

The rationale for the decision to retain and/or re-sell the treasury shares will be based on the performance of the Shares on the stock market. Should the price of the Shares reach a level which will result in a gain to the Company, a decision to sell and/or distribute the Shares as share dividends will be considered. A decision to cancel any of the Treasury Shares would be taken if circumstance requires that the share capital of the Company should be reduced.

An announcement will be made to Bursa Securities in respect of the intention of the Directors on the proposed treatment of Shares bought back and the rationale of the alternatives chosen and if available, information as to the percentage or number of Shares purchased which are to be retained and/or cancelled.

Where the Directors resolve to cancel the Shares so purchased, the Company's total number of issued shares shall be diminished by the Shares so cancelled. We wish to highlight that the cancellation of Shares made pursuant to Section 127 of the Companies Act, 2016, shall not be deemed to be a reduction of share capital.

Where the Directors resolve to retain the Shares so purchased as Treasury Shares, the Directors may:

- (a) distribute the Treasury Shares to shareholders as share dividends;
- (b) resell the Treasury Shares in accordance with the relevant rules of the Bursa Securities;
- (c) transfer the Treasury Shares for the purposes of or under an employees' share scheme;
- (d) transfer the Treasury Shares as purchase consideration;
- (e) cancel the Treasury Shares; or
- (f) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister may by order prescribe.

Pursuant to Section 127(8) of the Act, the rights attached to the Treasury Shares in relation to voting, dividends and participation in any other distribution and otherwise are suspended. In accordance with Section 127(9) of the Act, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at meetings.

The Company will make an immediate announcement to Bursa Securities of any purchase or resale of the CGB Shares and whether the Purchased Shares will be cancelled, sold, transferred or retained as Treasury Shares or a combination.

8. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company was 74.58% based on the total number of issued shares of 580,443,043 Shares (excluding Treasury Shares). Assuming that the Proposed Share Buy Back is fully implemented, the public shareholding spread of the Company would reduce to approximately 71.88%.

The Board is mindful of the requirement that any purchase of CGB Shares by the Company must not result in the public shareholding spread of CGB falling below 25% of its issued share capital.

9. RATIONALE FOR THE PROPOSED SHARE BUY BACK

- (i) The Proposed Share Buy Back will enable CGB to have an additional option to utilise its surplus financial resources.
- (ii) In addition, the Purchased Shares may be held as Treasury Shares and resold on Bursa Securities with the intention of realising a potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.
- (iii) With the mandate, the Company will also be able to stabilise the supply and demand of CGB Shares traded on the Bursa Securities and thereby supports its fundamental value, if required.

10. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY BACK

Advantages

- a) The Company may be able to stabilise the supply and demand of its Shares in the open market and thereby support its fundamental value.

The stability of the Share price is important in order to maintain investors' confidence to facilitate the Company's future fund raising exercises via issues of equity Shares or other instruments, should there be any such exercise in future.

- b) If the Shares bought back are kept as Treasury Shares, it will give the Directors an option to re-sell the Shares so purchased at a higher price when market conditions improve and therefore make an exceptional gain for the Company. Alternatively, the Shares so purchased can be distributed as share dividends to shareholders. The Directors may also transfer the shares for the purpose of an Employees' Share Scheme or as purchase consideration.
- c) The earnings per share of CGB Group would be enhanced (all things being equal).

Disadvantages

- a) The Proposed Share Buy Back will reduce the amount of financial resources available for distribution to the shareholders of the Company and may result in the Group having to forgo feasible investment opportunities that may emerge in the future. However, the financial resources of the Group may increase if the CGB Shares so purchased held as treasury shares are resold at prices higher than their purchase price.
- b) The working capital of the Group will also be affected, as any purchase of CGB Shares will reduce the Group cashflow depending on the actual number of shares purchased and their purchase price.

The Board will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Share Buy Back.

11. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY BACK

The effects of the Proposed Share Buy Back are as follows:

(i) Share Capital

In the event that the Company acquires the full ten percent (10%) of the total number of issued shares of the Company authorised under the Proposed Share Buy Back and all the CGB Shares so acquired are cancelled, the total number of issued shares of the Company will be as follows:

	No. of Ordinary Shares
Total Number of Issued Shares as at LPD	582,949,143
Maximum number of CGB shares that may be cancel pursuant to the Proposed Share Buy Back	(58,294,914)
Total Number of Issued Shares upon completion of the Proposed Share Buy Back	<u>524,654,229</u> =====

If the Shares so purchased pursuant to the Proposed Share Buy Back are re-sold in the open market, the Proposed Share Buy Back will have no effect on the Share Capital.

(ii) Net Assets

- a) The effect of the share repurchase on the net assets per share of the CGB Group is dependent on the number of CGB Shares which the Company will buy back, purchase price of the CGB Shares at the time of buy back, the treatment of the shares so purchased and the funding cost, if any.
- b) If the maximum number of CGB Shares purchased is cancelled, the share repurchase would reduce the net assets per share of the Group if the purchase price exceeds the net assets per share at the relevant point in time. Conversely, the net assets per share of the Group would increase if the purchase price is less than the net assets per share at the relevant point in time.
- c) If the CGB Shares are retained as treasury shares, the net assets per share would increase/decrease depending on the purchase price of the CGB Shares. The net assets per share of the Group would reduce if the purchase price exceeds the net assets per share and vice versa.
- d) If the treasury shares are resold on the Bursa Securities, the net assets per share will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed to shareholders as share dividends, the net assets per share will decrease by the cost of the treasury shares.

(iii) Earnings

- a) The effects of the Proposed Share Buy Back on the earnings of the Group are dependent on the purchase prices of CGB Shares and the effective funding cost to finance such purchases and/or loss in interest income to the Group, if internally generated funds are utilised.
- b) For instance, the share repurchase will increase the EPS of the CGB Group if the effective funding cost and/or loss in income to the Company which is attributable to every repurchased share is lower than the EPS of the CGB Group and vice versa.
- c) If the CGB Shares so purchased are cancelled, the consolidated EPS of the Group will increase provided the income foregone and interest expense incurred on these shares is less than the consolidated EPS prior to such purchase.

(iv) Working Capital / Cash Flow

The Proposed Share Buy Back could reduce the working capital and cash flow available to the Group, the extent of which will depend on the purchase price and the number of shares that would be purchased.

If the Treasury Shares are resold on the Bursa Securities, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

(v) Dividends

- a) Assuming the Proposed Share Buy Back is implemented in full, the share repurchase will have the effect of increasing the dividend rate per ordinary share of CGB as a result of a decrease in the number of shares in CGB which are entitled to participate in the dividends.
- b) The Proposed Share Buy Back may have an impact on the Company's dividend policy, if any as it would reduce the cash available for dividend payment, which may otherwise be used for dividend payment. Nonetheless, the Purchased Shares which retained as Treasury Shares may be distributed as dividends to shareholders of the Company, if the Directors so decide.

12. SHAREHOLDINGS OF DIRECTORS AND MAJOR/SUBSTANTIAL SHAREHOLDERS

The table below shows the direct and deemed equity interests held by the Directors, Substantial Shareholders and persons connected to the Directors and/or Substantial Shareholders as at LPD and their pro-forma percentage shareholdings in the Company upon completion of the Proposed Share Buy Back, assuming that the Proposed Share Buy Back was carried out in full on LPD.

Directors	As at LPD (After taking into account the Shares Purchased and held as Treasury Shares)				After the Proposed Share Buy Back @			
	Direct		Deemed		Direct		Deemed	
	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Dato' Lau Eng Guang	34,507	5.92	127,900 ⁽¹⁾⁽²⁾	21.94	34,507	6.58	127,900	24.38
Lau Joo Yong	-	-	-	-	-	-	-	-
Lau Joo Pern	-	-	-	-	-	-	-	-
Ng Seik Wah	-	-	-	-	-	-	-	-
Khoo Chie Yuan	-	-	-	-	-	-	-	-
Lum Dick Son	-	-	-	-	-	-	-	-

Substantial Shareholders	As at LPD (After taking into account the Shares Purchased and held as Treasury Shares)				After the Proposed Share Buy Back @			
	Direct		Deemed		Direct		Deemed	
	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Keen Setup Sdn Bhd	104,000	17.84	-	-	104,000	19.82	-	-
Dato' Lau Eng Guang	34,507	5.92	127,900 ⁽¹⁾⁽²⁾	21.94	34,507	6.58	127,900 ⁽¹⁾⁽²⁾	24.38
Datin Goh Kim Kooi	175	0.03	104,000 ⁽²⁾	17.84	175	0.03	104,000 ⁽²⁾	19.82

Notes

@ On the assumption that CGB repurchase the maximum 58,294,914 CGB Shares, representing ten (10)% of its total number of issued shares of 582,949,143 CGB Shares.

(1) Deemed interest by virtue of his spouse's/children's interest in CGB;

(2) Deemed interest by virtue of his/her interest in Keen Setup Sdn Bhd;

13. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of CGB Shares as traded on Bursa Securities for the past 12 months from May 2020 to April 2021 up to LPD are as follows:

	<u>High</u> <u>RM</u>	<u>Low</u> <u>RM</u>
<u>2020</u>		
May	3.67	1.37
June	4.22	2.56
July	5.50	3.09
August	7.28	3.43
September	4.74	3.06
October	5.15	3.60
November	4.63	3.34
December	4.12	2.87
<u>2021</u>		
January	3.76	2.77
February	3.18	2.14
March	2.35	1.80
April (Up to LPD)	3.04	1.84

The last transacted market price of CGB Shares as at 17 May 2021 being the last practicable date prior to the printing of this statement 2.24

14. PURCHASE, CANCELLATION OF SHARES AND RE-SALES/TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

CGB has purchased its own Shares in the preceding 12 months and details of purchases are as follows:

Date of Purchase	No. of Shares Purchased	Purchase Price (RM)			Total Consideration Paid* (RM)
		Highest	Lowest	Average	
April 2021					
1 April	1,400,000	1.87	1.90	1.88	2,646,416.91
2 April	718,600	1.88	1.94	1.91	1,376,925.51
5 April	260,000	1.88	1.89	1.89	492,318.64
6 April	11,500	1.89	1.89	1.89	21,901.76
7 April	116,000	1.99	2.01	2.01	233,845.48

* Including Transaction Cost

15. CONDITIONS OF THE PROPOSED SHARE BUY BACK

The Proposed Share Buy Back is subject to the approval of the shareholders of the Company.

16. INTEREST OF THE DIRECTORS AND MAJOR SHAREHOLDERS

None of the Directors, Substantial Shareholders and persons connected to the Directors and/or Major Shareholders (as defined in the Listing Requirements of Bursa Securities) have any direct or deemed interest in the Proposed Share Buy Back.

17. DIRECTORS' STATEMENT AND RECOMMENDATION

Your Directors, having considered all aspects of the Proposed Share Buy Back, are of the opinion that the Proposed Share Buy Back is in the best interests of the CGB Group. Accordingly, they recommend that you vote in favour of the Proposed Share Buy Back at the forthcoming AGM of the Company.

18. AGM

The Eightieth (80th) AGM of the Company, the Notice of which is enclosed in the Annual Report of CGB for the financial year ended 31 January 2021 will be conducted through live streaming and online remote using Remote Participation and Voting Facilities ("RPV") meeting platform at <https://web.vote2u.app> as a fully virtual general meeting for the purpose of considering and, if thought fit, passing the ordinary resolution on the Proposed Share Buy Back under the agenda of Special Business as set out in the Notice.

You will also find enclosed in the Annual Report, a Form of Proxy which you are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible, so as to arrive at the Share Registrar's office of the Company not later than 48 hours before the time fixed for the 80th AGM, should you wish to appoint a proxy/proxies to attend and vote for you and on your behalf, at the 80th AGM or at any adjournment thereof. The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the 80th AGM should you subsequently wish to do so, but if you do, your proxy shall be precluded from attending the said AGM.

19. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix III for further information.

Yours faithfully
For and on behalf of the Board of Directors

Dato' Lau Eng Guang
Executive Chairman

PART B

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**



COMFORT GLOVES BERHAD

Registration No. 193701000006 (852-D)
(Incorporated in Malaysia)

Registered Office

55A, Medan Ipoh 1A, Medan Ipoh Bistari
31400 Ipoh, Perak Darul Ridzuan
Malaysia

24 May 2021

Board of Directors:

Dato' Lau Eng Guang (*Executive Chairman*)
Lau Joo Yong (*Group Chief Executive Officer*)
Lau Joo Pern (*Executive Director*)
Ng Seik Wah (*Independent Non-Executive Director*)
Khoo Chie Yuan (*Independent Non-Executive Director*)
Lum Dick Son (*Independent Non-Executive Director*)

To: **The Shareholders of CGB**

Dear Sir/ Madam,

Proposed Amendments to the Constitution of the Company

1. Introduction

On 12 April 2021, the Company announced to Bursa Securities that the Board proposed to seek the shareholders' approval for amendments to the Constitution of the Company ("**Proposed Amendments to the Constitution**"). The purpose of this Circular is to provide you with details of the Proposed Amendments to the Constitution, as well as to seek your approval for the Special Resolution to be tabled at the forthcoming AGM of the Company. The Notice of AGM is enclosed in this Circular.

2. Details and Rationale of the Proposed Amendments to the Constitution

The proposed amendments are necessary to provide better clarity and to ensure compliance with the relevant requirements and laws so as to update in according to the latest development of governance. The proposed amendments to be made to the Constitution are listed as per Appendix I of the Circular.

3. Effects of the Proposed Amendments to the Constitution

The Proposed Amendments to the Constitution will not have any effect on the share capital, substantial shareholders' shareholdings, net assets per share, gearing or earnings per share of the CGB Group.

4. Interest of Directors, Major Shareholders and/or Persons Connected to them

None of the Directors and/or major shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Amendments to the Constitution.

5. Approval Required

The Proposed Amendments to the Constitution is subject to the approval of the Company's shareholders at the forthcoming AGM to be convened or at any adjournment thereof. Save and except for the approval of the Company's shareholders, there are no other approvals required for the Proposed Amendments to the Constitution.

6. Directors' Statement and Recommendation

The Board, having considered all aspects of the Proposed Amendments to the Constitution, is of the opinion that the Proposed Amendments to the Constitution is in the best interest of the Company and accordingly, the Board recommends that you vote IN FAVOUR of the Special Resolution pertaining to the Proposed Amendments to the Constitution to be tabled at the forthcoming AGM.

7. AGM

The Eightieth (80th) AGM of the Company, the Notice of which is enclosed in the Annual Report of CGB for the financial year ended 31 January 2021 will be conducted through live streaming and online remote using Remote Participation and Voting Facilities ("RPV") meeting platform at <https://web.vote2u.app> as a fully virtual general meeting for the purpose of considering and, if thought fit, passing the special resolution on the Proposed Amendments to the Constitution under the agenda of Special Business as set out in the Notice.

You will also find enclosed in the Annual Report, a Form of Proxy which you are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible, so as to arrive at the Share Registrar's office of the Company not later than 48 hours before the time fixed for the 80th AGM, should you wish to appoint a proxy/proxies to attend and vote for you and on your behalf, at the 80th AGM or at any adjournment thereof. The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the 80th AGM should you subsequently wish to do so, but if you do, your proxy shall be precluded from attending the said AGM.

8. Further Information

Shareholders are requested to refer to Appendix III for further information.

Yours faithfully
For and on behalf of the Board of
COMFORT GLOVES BERHAD

Dato' Lau Eng Guang
(Executive Chairman)

APPENDIX I

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

CA 2016 - being the Companies Act, 2016.
MMLR - being the Main Market Listing Requirements.

1. The existing Constitution of the Company is proposed to be amended by the relevant additions and deletions as specifically set out in the fourth column below:-

New Clause No.	Amended Article	Proposed Amendments
2.1 a (NEW)	Nil	<p>2.1a) DEFINITION AND INTERPRETATION</p> <p>Broadcast Venue: A physical venue in Malaysia to facilitate the conduct of a fully virtual general meeting.</p> <p>Business Day: A day (not being a Saturday, Sunday or public holiday) on which licensed financial institutions are open for general banking business in Kuala Lumpur</p> <p>Main Venue: A primary physical venue in Malaysia where the Chairperson of the general meeting or any adjournment thereof is physically present.</p>

New Clause No.	Amended Article	Proposed Amendments
Existing Clause 13.3	<p>Share Buy Back</p> <p>13.3 Subject to the provisions of Applicable Laws, the Company may with the sanction of an ordinary resolution of the Members in a meeting of Members, purchase its own shares upon and subject to such terms and conditions as the Directors may, in their discretion deem fit or necessary in the best interest of the Company.</p>	<p>Share Buy Back</p> <p>13.3. Subject to the provisions of the Act, the Listing Requirements and other requirements of the Exchange and/or any other relevant laws, regulations, guidelines and/or authorities, the Company may from time to time by resolution of a general meeting, acquire by purchase in good faith and in the best interests of the Company, the Company's own shares through the Exchange on which the shares are quoted provided always that the Company is solvent at the date of purchase of the Company's shares and will not become insolvent by incurring the debt arising from the obligation to pay for the shares so purchased. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.</p>
Existing Clause 14.1	<p>Annual General Meeting</p> <p>14.1 The Company shall hold an annual general meeting in every calendar year in addition to any other meetings held in that calendar year within six (6) months of the Company's financial year end and not more than fifteen (15) months after the last preceding annual general meeting.</p>	<p>Annual General Meeting</p> <p>14.1 The Company shall in each year hold a general meeting as the annual general meeting in addition to any other meetings in that year in accordance with Section 340 of the Act.</p>
Existing Clause 14.4 (b)	<p>14.4(b) The main venue of the meeting shall be in Malaysia and the chairman shall be present at that main venue of the meeting.</p>	<p>14.4(b) The main venue of the meeting shall be in Malaysia and the Chairman shall be present at that main venue or Broadcast Venue (the only venue involved in the conduct of a virtual general meeting) of the meeting held in Malaysia, whichever is applicable of the meeting.</p>

New Clause No.	Amended Article	Proposed Amendments
Existing Clause 15.3 (2)	<p>15.3(2) Chairman's discretion on Meeting Procedures</p> <p>Without prejudice to any other power which the Chairman may have under the provisions of this Constitution or at common law and subject to the Act and the Listing Requirements, the Chairman shall have full discretion on the general conduct of meeting, procedures to be adopted at the meeting to ensure proper and orderly conduct of the business of all general meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature. This may include, demanding that debate or discussion on any business, question, motion or resolution being ended or that the business, question, motion or resolution be put to a vote of the shareholders or so that the meeting reflects the wishes of the majority. The Chairman may also at his discretion and in accordance with applicable laws, decides whether to admit new business at a meeting of shareholders</p>	<p>15.3(2) Chairman's discretion on Meeting Procedures</p> <p>Without prejudice to any other power which the Chairman may have under the provisions of this Constitution or at common law and subject to the Act and the Listing Requirements, the Chairman shall have full discretion on the general conduct of meeting, procedures to be adopted at the meeting to ensure proper and orderly conduct of the business of all general meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature. This may include, demanding that debate or discussion on any business, question, motion or resolution being ended or that the business, question, motion or resolution be put to a vote of the shareholders or so that the meeting reflects the wishes of the majority. The Chairman may also at his discretion and in accordance with applicable laws, decides whether to admit new business at a meeting of shareholders.</p> <p>If there is insufficient room at a venue used for the meeting, the Chairman may arrange another or a second or other venue (without giving notice or putting the matter to a vote).</p>

New Clause No.	Amended Article	Proposed Amendments
New Clause 15.3(5)	NIL	<p>Amending resolutions</p> <p>15.3(5) (a) The chairman can propose amendments to an ordinary or special resolution if they are amendments to correct typographical errors in the resolution.</p> <p>(b) Save as stated in Article 15.3(5)(a), no other amendments can be proposed to a special resolution.</p> <p>(c) Amendments to an ordinary resolution which are within the scope of the resolution can be proposed if written notice of the proposed amendment is received at the Registered Office addressed to the Secretary at least 3 clear Business Days before the day fixed for the meeting or adjourned meeting.</p> <p>(d) If the chairman, acting in good faith, rules an amendment out of order, an error in that ruling will not affect the validity of a vote on the original resolution.</p>
Existing Clause 15.4(1)	<p>Chairman may adjourn meeting and notice of adjournment to be given</p> <p>15.4 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	<p>Chairman may adjourn meeting and notice of adjournment to be given</p> <p>15.4(1)The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place or sine die but no business shall be transacted at adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned sine die, the Board shall fix the time and place for the adjourned meeting. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>

New Clause No.	Amended Article	Proposed Amendments
New Clause 15.4(2)	NIL	<p>Adjournment, Cancellation or Postponement of general meeting</p> <p>15.4(2) Subject to the Act, where a general meeting is convened by the Board, the Chairman may, in his absolute discretion, cancel the general meeting or postpone the holding of the general meeting or adjourn the meeting, before or after it has started, and whether or not quorum is present, if he considers that:</p> <ul style="list-style-type: none"> i) there is not enough room for the number of shareholders who wish to attend the meeting; ii) the behavior of the people presents prevents, or is likely to prevent, the business of the meeting being carried out in an orderly way; or iii) an adjournment is necessary for any other reason, so that the business of the meeting can be properly carried out. <p>The Chairman does not need the consent of the meeting to adjourn if for any of these reasons to a date and time or place which he decides. He may also adjourn the meeting to a later time on the same day or indefinitely. If the meeting is adjourned indefinitely, the directors will fix the date, time and place of the adjourned meeting. The cancellation or postponement of a general meeting is subject to the Listing Requirements and other requirements by the Exchange.</p> <p>This Article shall not apply to a general meeting convened in accordance with Sections 310(b) and 311 of the Act by a Member or Members or to a meeting convened by a court, without prior written consent of the person who called or requisitioned the meeting.</p>

New Clause No.	Amended Article	Proposed Amendments
<p>New Clause No. 15.4(3)</p>	<p>NIL</p>	<p>15.4(3)(1) Notice of cancellation or postponement or change of place of a general meeting must state the reason for cancellation or postponement and such a notice shall be:</p> <ul style="list-style-type: none"> i) if practicable, published in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper; ii) given to the Exchange and given in such manner required by the Listing Requirements or other requirements by the Exchange; and iii) subject to the Act and the Listing Requirements, given in any other manner determined by the Board. <p>(2) A notice of postponement of a general meeting must specify:</p> <ul style="list-style-type: none"> i) the postponed date and time for the holding of the general meeting; ii) a place for the holding of the general meeting which may be either the same as or different from the place specified in the notice convening the general meeting; and iii) if the general meeting is to be held in two (2) or more places, the technology that will be used to facilitate the holding of the general meeting in that manner. <p>(3) The new time and place specified in the notice of postponement will be taken to be the time and place for the general meeting as if specified in the notice which called the general meeting originally.</p> <p>(4) Notice of the business to be transacted at such moved and/or postponed meeting is not required. The Board must take reasonable steps to ensure that Members trying to attend the general meeting at the original time, date and/or place are informed of the new arrangements for the general meeting.</p>

New Clause No.	Amended Article	Proposed Amendments
		<p>(5) The only business that may be transacted at a postponed general meeting is the business specified in the original notice convening the general meeting.</p> <p>(6) Where by the terms of an instrument appointing a proxy or attorney or an appointment of a representative:</p> <ul style="list-style-type: none"> i) the appointed person is authorised to attend and vote at a general meeting to be held on or before a specified date; and ii) the date for holding the general meeting is postponed to a date later than the date specified in the instrument of proxy, power of attorney or appointment of representative, then, by force of this Article, that later date is substituted for and applies to the exclusion of the date specified in the instrument of proxy, power of attorney or appointment of representative. However, this does not apply if the Member appointing the proxy, attorney or representative gives notice in writing to the Company at the Office or another address (including electronic address) specified in the notice of general meeting to the contrary not less than twenty-four (24) hours before the time to which the holding of the general meeting has been postponed. <p>(7) The non-receipt of notice of cancellation or postponement of a general meeting by, or the accidental omission to give notice of cancellation or postponement of a general meeting to, a person entitled to receive notice does not invalidate any resolution passed at a postponed general meeting or the cancellation or postponement of a general meeting.</p> <p>(8) A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.</p>

New Clause No.	Amended Article	Proposed Amendments
		<p>(9) If the Directors are required to convene and arrange to hold a general meeting as a result of a request by Members in accordance with Section 311 of the Act, the general meeting may be cancelled by the Directors if the Members who requisitioned the general meeting withdraw their requests prior to the date of the general meeting.</p>
<p>New Clause 15.4(4)</p>	<p>NIL</p>	<p>Interruption or adjournment where facilities inadequate</p> <p>15.4(4) If, before or during a general meeting, it appears to the chairman of the general meeting that: -</p> <p>(a) the facilities at the main venue or Broadcast Venue; or</p> <p>(b) the means used for the remote communication,</p> <p>have become inadequate or any technical difficulty occurs, such that the Members do not have a reasonable opportunity to participate, then the chairman of the general meeting shall:</p> <p>i) without the consent of the Members at the general meeting, interrupt or adjourn the general meeting until the difficulty is remedied; or</p> <p>ii) where a quorum remains present (either at the place at which the chairman is present or by technology and able to participate, subject to the Constitution, continue the meeting.</p> <p>All businesses as conducted at that general meeting up to the adjournment shall be valid. The provisions of Article 15.4(2) and 15.4(3) shall apply to that adjournment. No interruption or termination of any remote communication or the ability of a Member to participate in a general meeting by way of remote communication shall invalidate any general meeting held using such remote communications or any such resolution decided upon at such general meeting</p>

New Clause No.	Amended Article	Proposed Amendments
Existing Clause 17.7	<p>Validity of Votes by Proxy</p> <p>17.7(a) Subject to Applicable Laws, the Directors may accept any appointment of proxy received by electronic communication on such terms and subject to such conditions as they consider fit. The appointment of proxy by electronic communication shall be in accordance with this Article and shall not be subject to the requirements of this Constitution.</p> <p>(b) For the purposes of this Article, the Directors may require such reasonable evidence they consider necessary to determine:</p> <ul style="list-style-type: none"> (i) the identity of the Member and the proxy; and (ii) where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment. <p>(c) Without prejudice to this Article, the appointment of a proxy by electronic communication shall be received at the electronic address specified by the Company in any of the following sources and shall be subject to any terms, conditions or limitations specified therein:</p> <ul style="list-style-type: none"> (i) notice calling the meeting; (ii) instrument of proxy sent out by the Company in relation to the meeting; or (iii) website maintained by or on behalf of the Company. 	<p>Validity of Votes by Proxy</p> <p>17.7 (a) Subject to Applicable Laws, the Directors may accept any appointment of proxy received by electronic communication or electronic means using any technology or method that enables the appointment of proxy on such terms and subject to such conditions as they consider fit. The appointment of proxy by electronic communication or electronic means shall be in accordance with this Article and shall not be subject to the requirements of this Constitution.</p> <p>(b) For the purposes of this Article, the Directors may require such reasonable evidence they consider necessary to determine:</p> <ul style="list-style-type: none"> (i) the identity of the Member and the proxy; and (ii) where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment. <p>(c) Without prejudice to this Article, the appointment of a proxy by electronic communication or by any electronic means shall be received at the electronic address or any online portal, website, mobile application, or any other platform specified by the Company in any of the following sources and shall be subject to any terms, conditions or limitations specified therein:</p> <ul style="list-style-type: none"> (i) notice calling the meeting; (ii) instrument of proxy sent out by the Company in relation to the meeting; or (iii) website maintained by or on behalf of the Company.

New Clause No.	Amended Article	Proposed Amendments
	<p>(d) An appointment of proxy by electronic communication shall be received at the electronic address specified by the Company pursuant to this Article at least forty-eight (48) hours before the time appointed for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or in the case of poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.</p> <p>(e) An appointment of proxy by electronic communication which is not made in accordance with this Article shall be invalid.</p>	<p>(d) An appointment of proxy by electronic communication or electronic means shall be received at the electronic address or any online portal, website, mobile application, or any other platform specified by the Company pursuant to this Article at least forty-eight (48) hours before the time appointed for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or in the case of poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.</p> <p>(e) <i>If the instrument or form is otherwise unclear or incomplete, the Company may:</i></p> <ul style="list-style-type: none"> <i>(i) by oral or written communication, clarify with the member any instruction on the appointment; and</i> <i>(ii) complete or amend the contents of any instrument or form to reflect the clarification in the instructions received from the member (which may occur later than the time specified in the notice of meeting for the receipt of direct votes or proxy appointments) and the member appoints the Company as its attorney for this purpose.</i> <p>(f) An appointment of proxy by electronic communication or electronic means which is not made in accordance with this Article shall be invalid.</p>

New Clause No.	Amended Article	Proposed Amendments
New Clause 26.2	Nil	<p>Validity of electronic / digital signature</p> <p>26.2 For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and / or electronic or digital signature, including but not limited to signing with a platform such as DocuSign, of any of the following persons:</p> <ul style="list-style-type: none"> (a) a holder of shares; (b) a Director; (c) an alternate Director; (d) in the case of a corporation, which is a holder of shares, its Director or Secretary or a duly appointed attorney or duly authorised representative; <p>shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.</p>
New Clause 29.5	NIL	<p>29.5 Any register, index, minute book, accounting record or other book pursuant to the Act or the provisions of this Constitution to be kept by or on behalf of the Company may, subject to and in accordance with the Act, be kept either in hard copy form or in electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against falsification and for facilitating discovery.</p>

New Clause No.	Amended Article	Proposed Amendments
34.1	<p>Power to Capitalise Profits</p> <p>34.1 The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the reserve account or otherwise available for distribution provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.</p>	<p>Company may Capitalize Reserves and Undistributable Profits</p> <p>34.1(1) The Director may, with the sanction of an ordinary resolution of the Company:-</p> <p>(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register or (as the case may be) the Record of Depositors at the close of business on:</p> <p>(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p>(ii) such other date as may be determined by the Directors,</p> <p>in the proportion to their then holdings of shares; and/or</p>
34.1	NIL	<p>(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register or (as the case may be) in the Record of Depositors at the close of business on:</p> <p>(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p>(ii) such other date as may be determined by the Directors,</p> <p>in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.</p>

New Clause No.	Amended Article	Proposed Amendments
	<p>Consequential Powers</p> <p>34.2 Whenever such a resolution as aforesaid in Article 39.1 shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.</p>	<p>Consequential Powers</p> <p>34.2 The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under this Clause, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.</p>
34.3	NIL	<p>34.3 In addition and without prejudice to the power to capitalise profits and other moneys provided for by this Clause, the Directors shall have the power to issue shares for which no consideration is payable and to capitalise any undistributable profits or other monies of the Company not required for the payment or provision of any dividends on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other monies carried and standing to any reserve or reserves) and to apply such profits or other monies in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share option scheme or plan implemented by the Company and approved by Members in general meeting and on such terms as the Directors shall think fit.</p>

COMFORT GLOVES BERHAD
Registration No. 193701000006 (852-D)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 80th Annual General Meeting (“AGM”) of Comfort Gloves Berhad (“CGB” or the “Company”) will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

Day and Date : Tuesday, 22 June 2021
Time : 10.00 a.m.
Summit 3, 3rd Floor,
Broadcast Venue : Wisma Westcourt
No 126 Jalan Klang Lama
58000 Kuala Lumpur, Malaysia
Virtual Meeting Platform : <https://web.vote2u.app>
Typed text in the Meeting Platform
Mode of Communication : Email questions to investorsrelation@comfort-rubber.com.my prior to Meeting

A G E N D A

As ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 January 2021 together with the Directors’ and Auditors’ Reports thereon. **(Please refer to Note 1)**
2. To approve the increased payment of Directors’ Fees of RM425,000 in respect of the financial year ended 31 January 2021. **(Ordinary Resolution 1)**
3. To approve the increased payment of Directors’ Benefits (excluding Directors’ Fees) to Non-Executive Directors up to an amount of RM150,000 from 80th AGM until the next AGM of the Company. **(Ordinary Resolution 2)**
4. To re-elect the following Directors and who were appointed during the year pursuant to Article 18.2 of the Company’s Constitution.
 - 4.1 Khoo Chie Yuan **(Ordinary Resolution 3)**
 - 4.2 Dato’ Lau Eng Guang **(Ordinary Resolution 4)**
 - 4.3 Lum Dick Son **(Ordinary Resolution 5)**
5. To re-elect Lau Joo Pern who retires by rotation pursuant to Article 18.4(a) of the Company’s Constitution. **(Ordinary Resolution 6)**
6. To appoint Auditors and to authorise the Directors to fix their remuneration: **(Ordinary Resolution 7)**
 - 6.1 Messrs Baker Tilly Monteiro Heng PLT, the retiring Auditors have expressed that they do not wish to seek re-appointment at this 80th Annual General Meeting.

- 6.2 Special Notice pursuant to Sections 280(2)(b)(ii) and 322 of the Companies Act, 2016, a copy of which is set out and marked "Annexure A", has been received by the Company to propose the following Ordinary Resolution:

"THAT Messrs KPMG PLT, be hereby appointed as Auditors of the Company in place of the outgoing Auditors, Messrs Baker Tilly Monteiro Heng PLT, to hold office until the conclusion of the next Annual General Meeting and that authority be hereby given to the Directors of the Company to determine their remuneration."

As **SPECIAL BUSINESS**, to consider and, if thought fit, pass the following Resolutions: -

7. AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016 (Ordinary Resolution 8)

"That, subject to the Companies Act, 2016 and the Company's Constitution and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities"), Securities Commission and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 76 of the Companies Act, 2016 to issue and allot shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company (excluding treasury shares) for the time being ("Proposed 20% General Mandate") and that such approval on Proposed 20% General Mandate shall continue be in force until 31 December 2021 or a later date which may allow by the relevant authorities whichever is later;

THAT with effect from 1 January 2022 or a later date which may allow by the relevant authorities whichever is later, the general mandate shall be reinstated from a 20% General Mandate to 10% General Mandate provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of the issued shares of the Company (excluding treasury shares) of the Company for the time being ("Proposed General Mandate");

AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the Annual General Meeting of the Company held next after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is the earlier."

8. PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY (Ordinary Resolution 9)

"That, subject to the Companies Act, 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy Back") provided that:

- a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at any point in time of purchase;
- b) the maximum funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the total retained earnings of the Company at the time of purchase; and
- c) upon completion of the purchase by the Company its own ordinary shares, the Directors of the Company be and are hereby authorized to deal with the ordinary shares purchased in their absolute discretion in the following manners:
 - i) cancel all the ordinary shares so purchased; and/or
 - ii) retain the ordinary shares so purchased as treasury shares; and/or
 - iii) retain part thereof as treasury shares and cancel the remainder;
 - iv) in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force;

That any authority conferred by this resolution may only continue to be in force until:

- i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - iii) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,
- whichever occurs first;

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act, 2016, the provisions of the Constitution of the Company and the Main LR and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities.”

9. **PROPOSED ALLOCATION OF AWARDS (AS DEFINED HEREIN) TO DATO' LAU ENG GUANG PURSUANT TO THE EMPLOYEES' SHARE SCHEME (ESS)** (Ordinary Resolution 10)

"That pursuant to the existing ESS as approved by the members of CGB at the Extraordinary General Meeting held on 18 May 2021, approval be and is hereby given to the ESS Committee from time to time throughout the duration of the Proposed ESS, to offer and grant to Dato' Lau Eng Guang, the Executive Chairman of CGB, CGB Shares ("Shares Grant") and/or options to subscribe for and/or acquire CGB Shares ("ESS Options") (collectively, the "Awards") of not more than 10% of the total Awards to be issued under the Proposed ESS, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the by-laws of the ESS ("By-Laws").

10. **PROPOSED ALLOCATION OF AWARDS TO LAU JOO KIEN BRIAN PURSUANT TO THE ESS** (Ordinary Resolution 11)

"That pursuant to the existing ESS approved by the members of CGB at the Extraordinary General Meeting held on 18 May 2021, approval be and is hereby given to the ESS Committee from time to time throughout the duration of the Proposed ESS, to offer and grant to Lau Joo Kien Brian, a person connected to the Executive Chairman of CGB, Dato' Lau Eng Guang and the Group Chief Executive Director, Lau Joo Yong, Awards of not more than 10% of the total Awards to be issued under the Proposed ESS, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws.

11. **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY ("PROPOSED AMENDMENTS TO THE CONSTITUTION")** (Special Resolution 1)

"THAT, the proposed alteration or amendments to the Constitution of the Company, as annexed herewith as Appendix I in the Circular to Shareholders dated 24 May 2021, be and are hereby approved and adopted, with immediate effect AND THAT the Directors of the Company be and are hereby authorised to assent to any conditions, modification, variation and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

12. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

FURTHER NOTICE IS HEREBY GIVEN THAT only members whose names appear on the Record of Depositors as at 14 June 2021 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

By Order of the Board
CHAN EOI LENG
(SSM PC No. 202008003055)
(MAICSA 7030866)
Chartered Secretary
Ipoh, Perak Darul Ridzuan, Malaysia
24 May 2021

Explanatory Notes:

- 1) Agenda 1 is meant for discussion only in accordance with Section 340 (1) (a) of the Companies Act, 2016 and does not require shareholders' approval. Hence, Agenda 1 will not be put forward for voting.
- 2) Ordinary Resolutions 1 and 2 – Directors' Fee and Directors' Benefits

The Directors' Fee and Benefits payable to the Directors were revised in view of the increased in the profitability of the Group and also to commensurate with the Directors' responsibilities, commitment and contribution with reference to their statutory duties.

The Remuneration Committee, having reviewed and take into consideration of the benchmark of the peers industries and recommended the said Directors' Fee and Directors' Benefits to be revised as follows:

Directors' Fee	Current (RM' per year)	Proposed (RM' per year)
Chairman of the Board (Non-Executive Chairman)	50,000	150,000
Other Board Members (Executive)	25,000	-
Other Board Members (Non-Executive)	25,000	75,000
Chairman of the Audit Committee	12,000	25,000
Other Audit Committee Members	6,000	15,000
Chairman of Nominating Committee	6,000	15,000
Other Nominating Committee	3,000	10,000
Chairman of the Remuneration Committee	6,000	15,000
Other Remuneration Committee	3,000	10,000
Directors' Benefits to Non-Executive Directors	Current (RM' per year)	Proposed (RM' per year)
Directors' Meeting Allowance per meeting	750	1,500
Directors' Travelling Allowance per day	300	500

The Board had reviewed and accepted the Remuneration Committee's proposal as the Board opined that it was in the best interest of the Board.

- 3) Ordinary Resolutions 3, 4, 5 and 6 – Re-election of Directors

Khoo Chie Yuan, Dato' Lau Eng Guang, Lum Dick Son and Lau Joo Pern are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election at this 80th AGM. The profile of the retiring Directors is set out in the Annual Report 2021.

- 4) Ordinary Resolution 8 - Authority to Allot and Issue Shares in General Pursuant to Section 76 of the Companies Act, 2016 ("Act")

The Proposed Ordinary Resolution 8, if passed will empower the Directors of the Company, with the authority to issue and allot shares in the Company up to an amount not exceeding 20% of the total number of issued shares (excluding treasury shares) of the Company until 31 December 2021 or a later date as may be allowed by the relevant authorities. With effect from 1 January 2022 or a later date as may be allowed by the relevant authorities, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed General Mandate") according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The said authority shall continue in force until the conclusion of the next AGM of the Company or expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

At the 79th AGM held on 30 June 2020, the Directors of the Company has been granted a general mandate by the members of the Company to issue and allot shares in the Company up to and not exceeding 20% of the total number of issued shares of the Company ("20% General Mandate"). Up to the date of Notice, the Company did not issue any new shares pursuant to this mandate obtained and accordingly no proceeds were raised.

The Board of Directors of the Company, having considered the unprecedented uncertainty during this challenging time caused by Covid-19 pandemic and future financial needs of the Group is of the opinion that this 20% General Mandate is in the best interest of the Company and its shareholders. This General Mandate if passed will provide flexibility to the Company for any possible fund-raising activities quickly and efficiently, including but not limited to further placing of shares, for the purpose of funding future investment projects, working capital and/or acquisitions, or strategic opportunities involving equity deals, which may

require the allotment and issuance of new shares. In addition, any delay arising from and cost involved in convening a General Meeting to approve such issuance of shares should be eliminated.

5) Ordinary Resolution 9 - Proposed Renewal of Share Buy Back Authority

The Ordinary Resolution proposed under item 8, if passed, will empower the Directors to purchase the Company's shares through Bursa Malaysia Securities Berhad up to 10% of the issued shares of the Company. Details of the Proposed Share Buy Back is set out in the Share Buy Back Statement of the Company, which is sent out together with the Company's 2021 Annual Report.

6) Ordinary Resolution 10 and 11 - Proposed Allocation of Awards

The Ordinary Resolutions 10 and 11 if passed, will enable the ESS Committee to offer and allocate Share Grants and/or ESS Options to Dato' Lau Eng Guang and Lau Joo Kien Brian pursuant to the Proposed ESS.

As for Ordinary Resolution 11, Lau Joo Kien Brian is a person connected to the Directors of the Company as he is the son of Dato' Lau Eng Guang and brother of Lau Joo Yong and also cousin to Lau Joo Pern, an Executive Director of CGB.

Dato' Lau Eng Guang and Lau Joo Kien Brian will be abstaining from voting in respect of their direct/indirect shareholdings in the Company on the Ordinary Resolutions pertaining to the Proposed Allocation of Awards to them. They will also ensure that the persons connected with them will abstain from voting of their direct/indirect shareholdings in the Company.

7) Special Resolution 1 - Proposed Amendments to the Constitution of the Company ("Proposed Amendments to the Constitution")

The proposed Special Resolution, if passed, will enhance administrative efficiency and provide greater clarity to the Constitution. The Proposed Amendments to the Constitution is set out under Appendix I of the Circular to Shareholders dated 24 May 2021.

Notes:

- 1) Pursuant to Paragraph 8.29A of the Listing Requirements, voting at general meeting will be conducted by poll rather than show of hands. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
- 2) A member (other than an exempt authorised nominee) entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and need not be a member of the Company.
- 3) Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 4) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- 5) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- 6) The instrument appointing a proxy must be deposited at the office of the Share Registrar of our Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, electronic mail to bsr.helpdesk@boardroomlimited.com or fax +603-7890 4670, otherwise the instrument of proxy should not be treated as valid.

Keen Setup Sdn. Bhd. 201301012929 (1042767U)
Lot 1.02, 1st Floor, Wisma Westcourt, No. 126, Jalan Kelang Lama
Tel : 603-79801020 Fax: 03-79800986

ANNEXURE A

12 May 2021

The Board of Directors
COMFORT GLOVES BERHAD
55A Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak
Malaysia

Dear Sirs

COMFORT GLOVES BERHAD ("CGB") (Registration No.: 193701000006 (852-D))
SPECIAL NOTICE – NOMINATION OF AUDITORS

We, being a shareholder of CGB, holding 17.4% equity shares in CGB hereby given notice pursuant to Sections 280(2)(b)(ii) and 322 of the Companies Act 106 of our intention to nominate Messrs KPMG PLT for appointment as Auditors of CGB, subject to their consent to act, to replace the outgoing Auditors, Messrs Baker Tilly Monteiro Heng PLT and to propose the following Ordinary Resolution to be tabled at the forthcoming 80th Annual General Meeting of CGB:

"THAT Messrs KPMG PLT, be hereby appointed as Auditors of the Company in place of the outgoing Auditors, Messrs Baker Tilly Monteiro Heng PLT, to hold office until the conclusion of the next Annual General Meeting and that authority be hereby given to the Directors of the Company to determine their remuneration."

Yours
KEEN SETUP SDN. BHD.



DATO LAU ENG GUANG
The duly appointed Authorised Representative of
KEEN SETUP SDN. BHD. appointed pursuant to
Section 333 of the Companies Act 2016

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Neither CGB nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant as at the date of LPD and the Directors of CGB do not have any knowledge of any proceedings pending or threatened against CGB or its subsidiaries, or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the Group.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of business) entered into by CGB and/or its subsidiary companies within the two (2) years immediately preceding the date of this Circular:

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, during office hours and on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming AGM:

- (i) The Constitution of CGB;
- (ii) The Audited Financial Statements of CGB Group for the past (2) financial years ended 31 January 2021 and 31 January 2020.