

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

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only conducted a limited review of contents of this Circular before issuance. 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.



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

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (I) PROPOSED BONUS ISSUE OF WARRANTS; AND**
  - (II) PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE SCHEME**
- (COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**AmInvestment Bank**

**AmInvestment Bank Berhad**

(Registration No. : 197501002220 (23742-V))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") together with a copy of the Form of Proxy is enclosed with this Circular. If you decide to appoint a proxy to attend and vote on your behalf at the EGM, the Form of Proxy should be completed and lodged at our Share Registrar at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the forthcoming EGM if you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Sunday, 16 May 2021, 11.30 a.m.
Date and time of the EGM	:	Tuesday, 18 May 2021, 11.30 a.m., or any adjournment thereof
Venue of the EGM	:	Hotel Grand Baron, No. 8, PT 7861, Jalan Bukit Larut, 34000 Taiping, Perak

This Circular is dated 3 May 2021

---

## DEFINITIONS

---

For the purpose of this Circular and the accompanying appendices, except where the context otherwise requires, the following definitions will apply:-

<b>Act</b>	: Companies Act 2016
<b>AmInvestment Bank</b>	: AmInvestment Bank Berhad (197501002220 (23742-V))
<b>Awards</b>	: Awards granted to the Selected Persons comprising the Shares Grant and/or ESS Options
<b>Announcement</b>	: Announcement dated 12 April 2021 in relation to the Proposals
<b>Board</b>	: The Board of Directors of CGB
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
<b>By-Laws</b>	: By-laws governing the Proposed ESS as may be amended, modified and/or supplemented from time to time, the draft of which is set out in Appendix II of this Circular
<b>CDS Account</b>	: The account established by Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
<b>CGB or Company</b>	: Comfort Gloves Berhad (Registration No.: 193701000006 (852-D))
<b>CGB Group or Group</b>	: CGB and its subsidiaries
<b>CGB Share(s) or Share(s)</b>	: Ordinary share(s) of CGB
<b>Circular</b>	: This circular dated 3 May 2021 which sets out the details of the Proposals
<b>COVID-19</b>	: Coronavirus Disease 2019
<b>Deed Poll</b>	: The deed poll to be executed by the Company constituting the Warrants and governing the rights of the holders of the Warrants of which is set out in Appendix I of this Circular
<b>Director(s)</b>	: Being a person that:-  (i) occupies or act in the position of director;  (ii) is in accordance with whose directions or instructions the directors of a corporation are accustomed to act; or  (iii) is an alternate or substitute director,  in CGB Group and having the meaning given in Section 2(1) of the Act and Section 2 (1) of the Capital Markets and Services Act 2007
<b>Effective Date</b>	: The date of which this ESS come into force as provided in the By-Laws
<b>EGM</b>	: Extraordinary General Meeting

---

**DEFINITIONS (CONT'D)**

---

<b>Eligible Person(s)</b>	: Directors (including non-executive Directors but shall not include alternate and/or substitute Directors) and/or eligible employees of the companies within the CGB Group who fulfils the conditions of eligibility as stipulated in the By-Laws
<b>Entitled Shareholder(s)</b>	: Shareholders of CGB whose names appear in the Record of Depositors of the Company on the Entitlement Date
<b>Entitlement Date</b>	: A date, to be determined and announced later by the Board, on which the names of the shareholders of CGB must appear in the Record of Depositors of the Company, in order to be entitled to receive the Warrants
<b>EPS</b>	: Earnings per share
<b>ESS</b>	: Employees' Share Scheme
<b>ESS Committee</b>	: The committee comprising Director(s) 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
<b>ESS Options</b>	: ESS options which entitle the Selected Person the right to exercise and receive CGB Shares at specified dates at pre-determined prices in accordance with the By-Laws
<b>ESS Option Exercise Price</b>	: The price of which a Participant is required to pay for each CGB Share pursuant to the exercise of an ESS Option
<b>FY</b>	: Financial year ended/ending 31 January, as the case may be
<b>Interested Directors</b>	: Directors of CGB whom have been offered and granted Awards and/or persons connected to Directors whom have been offered and granted Awards pursuant to the Proposed ESS
<b>Listing Requirements</b>	: The Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	: 8 April 2021, being the latest practicable date prior to the printing of this Circular
<b>MARGMA</b>	: Malaysian Rubber Glove Manufacturers Association
<b>Market Day</b>	: A day on which Bursa Securities is open for trading in securities
<b>Maximum Awards</b>	: The maximum number of CGB Shares to be allotted and issued and/or transferred pursuant to the Awards granted under the Proposed ESS which shall not exceed 15% of the total number of issued shares of CGB (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESS
<b>MCO</b>	: Movement Control Order
<b>NA</b>	: Net assets
<b>Offer</b>	: An offer made pursuant to the Shares Grant and/or ESS Option, as the case may be, made in writing by the ESS Committee to the Participant pursuant to the By-Laws

---

**DEFINITIONS (CONT'D)**

---

<b>Offer Date</b>	:	The date on which an Offer is served in accordance with the By-Laws
<b>Participant(s)</b>	:	Selected Persons who have duly accepted the Offer in accordance with the By-Laws
<b>Proposals</b>	:	Collectively, the Proposed Bonus Issue of Warrants and the Proposed ESS
<b>Proposed Bonus Issue of Warrants</b>	:	Proposed bonus issue of up to 174,132,912 free Warrants on the basis of 3 Warrants for every 10 existing CGB Shares held on the Entitlement Date
<b>Proposed ESS</b>	:	The establishment of an ESS of up to 15% of the total number of issued shares of CGB (excluding treasury shares, if any) at any point in time during the duration of the scheme for eligible Directors and employees of CGB Group (excluding subsidiaries which are dormant)
<b>Record of Depositors</b>	:	A record of securities holders established and maintained by Bursa Depository
<b>Registrar</b>	:	Boardroom Share Registrars Sdn Bhd (Registration No.: 199601006647 (378993-D))
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively
<b>Selected Person(s)</b>	:	An Eligible Person to whom an Offer has been made under the Proposed ESS
<b>Senior Management</b>	:	Such employees as the ESS Committee may in its sole discretion determine to be senior management
<b>Shares Grant</b>	:	The rights granted to the Participants to have a number of Shares vested in the Participants on the Vesting Date(s) specified in the Offer, subject to the terms and conditions in the By-Laws and the Offer
<b>Termination Date</b>	:	The effective date of termination of the Proposed ESS
<b>Unvested Awards</b>	:	Awards or any part thereof which have not been vested in the Participant by the relevant date
<b>Vesting Date(s)</b>	:	The date or dates on which the Awards or any part or proportion thereof granted are vested in the Participant, as stipulated by the ESS Committee in the Offer
<b>VWAP</b>	:	Volume weighted average market price
<b>Warrant(s)</b>	:	Up to 174,132,912 free warrants in CGB to be issued pursuant to the Proposed Bonus Issue of Warrants

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

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

---

**DEFINITIONS (CONT'D)**

---

Any reference in this Circular to any provision of a statute, rule, regulation, enactment, or rule of a stock exchange shall (where the context admits) be construed as a reference to the provision of such statute, rule, regulation, enactment or rule of a stock exchange (as the case may be) as modified by any written law, or, if applicable, any amendment or re-enactment to the statute, rule, regulation, enactment or rule of a stock exchange for the time being in force. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

---

**TABLE OF CONTENTS**

---

	Page
<b>LETTER TO THE SHAREHOLDERS OF CGB IN RELATION TO THE PROPOSALS CONTAINING:</b>	
1. INTRODUCTION .....	1
2. PROPOSED BONUS ISSUE OF WARRANTS .....	2
3. PROPOSED ESS .....	4
4. RATIONALE FOR THE PROPOSALS .....	9
5. UTILISATION OF PROCEEDS .....	10
6. PROSPECTS OF CGB GROUP .....	11
7. EFFECTS OF THE PROPOSALS .....	14
8. HISTORICAL SHARE PRICES.....	18
9. APPROVALS REQUIRED .....	19
10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM.....	20
11. DIRECTORS' RECOMMENDATION .....	21
12. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION .....	21
13. THE DETAILS OF FUND-RAISING EXERCISE UNDERTAKEN IN THE PAST 12 MONTHS .....	21
14. ESTIMATED TIME FRAME FOR COMPLETION.....	21
15. EGM.....	22
16. FURTHER INFORMATION .....	22
APPENDIX I – SALIENT TERMS OF THE DEED POLL .....	23
APPENDIX II – DRAFT BY-LAWS .....	26
APPENDIX III – FURTHER INFORMATION .....	56
NOTICE OF EGM.....	Enclosed
FORM OF PROXY .....	Enclosed



**ComfortRubberGloves**  
**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

3 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,

**(I) PROPOSED BONUS ISSUE OF WARRANTS; AND**

**(II) PROPOSED ESS**

**(COLLECTIVELY REFERRED TO AS "PROPOSALS")**

---

**1. INTRODUCTION**

On 12 April 2021, AmInvestment Bank had, on behalf of the Board, announced that the Company proposed to undertake the following:-

- (i) proposed bonus issue of up to 174,132,912 new warrants in CGB ("**Warrant(s)**") on the basis of 3 Warrants for every 10 existing CGB Shares held on the entitlement date to be determined and announced later ("**Entitlement Date**") ("**Proposed Bonus Issue of Warrants**"); and
- (ii) proposed establishment of an employees' share scheme of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the scheme for eligible Directors and employees of the Company and its subsidiaries ("**Proposed ESS**").

On 13 April 2021, AmInvestment Bank on behalf of the Board, announced that the listing application in relation to the Proposals had been submitted to Bursa Securities.

On 28 April 2021, AmInvestment Bank on behalf of the Board, announced that Bursa Securities, had vide its letter dated 28 April 2021, approved the following:-

- (a) admission to the Official List and listing of and quotation for up to 174,132,912 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
- (b) listing of and quotation for up to 174,132,912 new CGB Shares to be issued pursuant to the exercise of Warrants; and
- (c) listing of such number of additional new CGB Shares, representing up to 15% of the total number of issued shares of CGB (excluding treasury shares, if any), to be issued pursuant to the Proposed ESS,

subject to the conditions as set out in Section 8 of this Circular.

**The purpose of this Circular is to provide you with the details of the Proposals and to seek your approval for the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM. The notice of EGM together with the proxy form are enclosed in this Circular.**

**You are advised to read and carefully consider the contents of this Circular before voting on the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.**

## **2. PROPOSED BONUS ISSUE OF WARRANTS**

### **2.1 Basis and number of Warrants to be issued**

The Proposed Bonus Issue of Warrants entails the issuance of up to 174,132,912 Warrants on the basis of 3 Warrants for every 10 CGB Shares held by the shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date ("**Entitled Shareholders**").

The basis and number of Warrants to be issued were determined after taking into consideration, amongst others, the following:-

- (i) the Warrants will be issued at no cost to the Entitled Shareholders;
- (ii) the enlarged number of CGB Shares upon exercise of the Warrants;
- (iii) the immediate dilutive effect on CGB's earnings per Share ("**EPS**") if the Warrants are exercised; and
- (iv) the new number of CGB Shares arising from exercise of the Warrants must not exceed 50% of the Company's total number of issued shares (excluding the treasury shares, if any and before the exercise of Warrants) at all times, in compliance with Paragraph 6.50 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

As at 8 April 2021, being the latest practicable date ("**LPD**") prior to the printing of this Circular, the issued share capital of the Company is RM142,985,383 comprising 582,949,143 Shares (inclusive of 2,506,100 treasury shares). In order to facilitate the Proposed Bonus Issue of Warrants, the Board has confirmed that the Company will not sell or purchase any CGB Shares for the purpose of treasury shares until the completion of the Proposed Bonus Issue of Warrants.



For illustrative purposes, based on the aforementioned issued share capital of the Company as at LPD, the Proposed Bonus Issue of Warrants will involve the issuance of up to <sup>(a)</sup>174,132,912 Warrants and assuming the exercise of all Warrants at an exercise price of <sup>(b)</sup>RM2.60 pursuant to the Proposed Bonus Issue of Warrants, the Company's issued share capital will increase to RM595,730,954 comprising 754,575,955 CGB Shares (excluding 2,506,100 treasury shares).

- (a) *Computed based on CGB's issued share capital of 580,443,043 Shares (excluding 2,506,100 treasury shares) as at LPD.*
- (b) *Assuming Warrant exercise price of RM2.60 representing approximately 20% premium to the 5-day volume weighted average price ("VWAP") of CGB Share prices up to LPD of RM2.16.*

The actual number of the Warrants to be issued will depend on the actual number of CGB Shares in issue on the Entitlement Date. Pursuant to the Companies Act 2016 ("**Act**"), the treasury shares held by the Company shall not be entitled to the Warrants.

Fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit, expedient and in the best interest of the Company.

The Proposed Bonus Issue of Warrants will be implemented in a single tranche.

The Warrants will be issued in registered form and constituted by the Deed Poll, of which a draft Deed Poll is appended in Appendix I of this Circular. The indicative salient terms of the Deed Poll are set out in Appendix I of this Circular.

## **2.2 Basis of determining and justification for the issue price and exercise price of the Warrants**

The Warrants will be issued at no cost to the Entitled Shareholders.

The Company proposes to fix the exercise price for the Warrants at a later date after all relevant approvals are obtained for the Proposed Bonus Issue of Warrants. In determining the exercise price of the Warrants, the Company will take into consideration of the following:-

- (i) the historical price movement of CGB Shares;
- (ii) the 5-day VWAP of CGB Shares immediately preceding the price-fixing date for the Proposed Bonus Issue of Warrants;
- (iii) the prevailing market conditions; and
- (iv) the future funding requirements of the Company and its subsidiaries ("**CGB Group**" or "**Group**").

It is the intention of the Board that the Warrant exercise price shall be priced at a premium of up to 20% to the 5-day VWAP of CGB Shares up to and including the date prior to the price fixing date. The Company will make an announcement once the Board has fixed the exercise price of the Warrants, which will include the basis and justification of the exercise price.

For illustrative purposes, the assumed exercise price for the Warrants is RM2.60, representing approximately 20% premium to the 5-day VWAP of CGB Share prices up to LPD of RM2.16.

### 2.3 Ranking of the new CGB Shares to be issued arising from the exercise of Warrants

The Warrant holders will not be entitled to any voting rights in any general meeting of the Company or right to participate in any form of the distribution and/or offer of further securities in the Company until and unless they exercise their Warrants into new CGB Shares.

The new CGB Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, carry the same rights and rank equally in all respects with the existing CGB Shares except that the new CGB Shares to be issued from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid prior to their date of allotment and issuance of such new CGB Shares to be issued from the exercise of the Warrants.

### 2.4 Listing and quotation of the Warrants and the new CGB Shares to be issued arising from the exercise of Warrants

Approval has been obtained from Bursa Securities for the admission of up to 174,132,912 Warrants to the Official List of Bursa Securities as well as the listing of and quotation for the Warrants and 174,132,912 new CGB Shares to be issued subsequent to the exercise of the Warrants, if any, pursuant to the Proposed Bonus Issue of Warrants on the Main Market of Bursa Securities.

## 3. PROPOSED ESS

The Proposed ESS entails the granting to selected eligible Directors (including non-executive Directors) and/or eligible employees of CGB Group ("**Eligible Person(s)**") (such selected Eligible Persons shall be referred to as "**Selected Person(s)**") the following awards:-

- (i) the right to receive new and/or existing CGB Shares at a specified date ("**Shares Grant**"); and/or
- (ii) ESS options which entitle the Selected Person the right to exercise and receive CGB Shares at specified dates at pre-determined prices ("**ESS Options**"),

provided that prior to such specified future date of vesting or exercise, as the case may be, the relevant service condition(s) of the Selected Persons and/or the relevant condition(s) as may be stipulated by the ESS Committee (as defined below) in the offer ("**Offer**"), are duly fulfilled unless the ESS Committee otherwise determines.

(collectively, the Shares Grant and ESS Options are referred to as "**Awards**")

The Awards may be satisfied in the manner so decided by the ESS Committee (as defined herein) as detailed in Section 3.11 below.

The salient terms of the Proposed ESS are set out in the ensuing sections below. The Proposed ESS will be governed by the By-Laws, of which the draft By-Laws is appended in Appendix II of this Circular.

### 3.1 Size of the Proposed ESS

The maximum number of Awards which may be granted shall not at any point in time in aggregate exceed 15% of the total number of issued shares of CGB (excluding treasury shares, if any) during the duration of the Proposed ESS ("**Maximum Awards**").

In the event where the Company purchases or cancels its own shares or undertakes any other corporate proposal resulting in the number of CGB Shares to be issued under the Proposed ESS to exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any), no further Awards will be offered until the number of CGB Shares to be issued under the Proposed ESS falls below the 15% threshold.

### **3.2 Eligibility**

Subject to the determination and sole discretion of the ESS Committee and the terms of the By-Laws, any Director (including non-executive Directors) or employee of the companies within CGB Group (excluding the subsidiaries which are dormant) who have attained the age of 18 years and hold the designated job grade or rank/position of a non-dormant company within CGB Group are eligible to participate in the Proposed ESS.

The eligibility for consideration under the Proposed ESS does not confer an Eligible Person a claim or right to participate in the Proposed ESS unless the ESS Committee has made an offer in writing to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the By-Laws.

In accordance with the Listing Requirements, the participation by any of the Directors, chief executive officer, major shareholders and/or persons connected with them pursuant to the Proposed ESS must be approved by the shareholders of CGB in a general meeting.

### **3.3 Basis of allocation and Maximum Allowable Allotment**

The allocation of Awards to a Selected Person shall be determined entirely at the discretion of the ESS Committee and subject to the provisions set out in the By-Laws after taking into consideration amongst others, the position, the performance, ranking, length of service and his/her potential contribution to CGB Group.

Notwithstanding the foregoing, subject to any adjustments which may be made in accordance with the By-Laws, the aggregate number of Awards that may be allocated to a Selected Person shall be subject to the following:-

- (i) the Directors (including non-executive Directors but shall not include alternate and/or substitute Directors) and senior management of the CGB Group do not participate in the deliberation and discussion of their own allocation and/or allocation to persons connected with them;
- (ii) not more than 80% of the total Awards to be issued under the Proposed ESS shall be allocated to the Directors and/or senior management of CGB Group;
- (iii) not more than 10% of the total Awards to be issued under the Proposed ESS shall be allocated to any one Director; and
- (iv) not more than 10% of the total Awards to be issued under the Proposed ESS shall be allocated to any Selected Persons who, either singly or collectively through persons connected to them, hold 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any).

For information, the Company's proposal to grant up to 80% of the Awards under the Proposed ESS to Directors and/or senior management of the Group was made after taking into consideration, amongst others, the retention of Directors and/or senior management who are responsible for shaping the direction and carrying out initiatives of the Group in the medium to long term. The Board is of the view that proposed 80% allocation to Directors and/or senior management reflects the strategic importance of their contribution to the organisation.

The ESS Committee shall at its absolute discretion decide in relation to an Award, amongst others, the date of the Award, and whether the Awards will be staggered, performance targets, performance period(s), service period(s), the vesting period(s), vesting date(s), release schedule(s), retention period(s) and the extent to which the CGB Shares which are the subject of the Award shall be released on the performance targets being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the vesting period(s).

As at LPD, the ESS Committee has yet to be established. The ESS Committee may stipulate the terms or conditions (which may include performance targets) if any, for the vesting of an Award to a Participant at the material point in time. The ESS Committee has the absolute discretion in determining the terms of the Awards will be granted to be granted and/or vested during the duration of the Proposed ESS. In making any decision in relation to the Proposed ESS, the ESS Committee shall consider, amongst others, the financial performance of CGB Group, number of Selected Persons, retention periods, Awards subscription and/or exercise price, fair value of the Awards and impact on financial performance of the Group.

### 3.4 Proposed Specific Allocation

Subject to the provisions of the By-Laws, CGB proposes to seek shareholders' approval at the forthcoming EGM for the proposed allocation of Awards to the following Directors of CGB:-

	<b>Proposed allocation</b> <i>No. of Awards</i>
Lau Joo Yong <i>(Group Chief Executive Officer)</i>	Not more than 10% of the total Awards granted
Lau Joo Pern <i>(Executive Director)</i>	Not more than 10% of the total Awards granted

(collectively, referred to as the “**Proposed Specific Allocation**”).

At this juncture, the proposed allocation to directors involved only Lau Joo Yong and Lau Joo Pern. The Company will seek shareholders' approval for all proposed allocation under the Proposed ESS to other directors and/or persons connected to them as and when applicable.

### 3.5 Duration of the Proposed ESS

The Proposed ESS shall continue to be in force for a period of five (5) years from the Effective Date provided always that on or before the expiry thereof, the Board shall have the discretion whether or not upon the recommendation of the ESS Committee, to extend in writing the tenure of the ESS for a further period of up to five (5) years or such shorter period as it deems fit immediately from the expiry of the first five (5) years, provided that the Proposed ESS does not exceed a maximum period of ten (10) years. The Proposed ESS shall continue to be in force commencing on the date which the last of the approvals and/or conditions stipulated in the By-Laws have been obtained and/or complied with, or such longer period as may be allowed by the relevant authorities. In the event that the Proposed ESS is extended, CGB shall make the necessary announcements to Bursa Securities prior to the proposed extension of the ESS. For the avoidance of doubt, no further sanction, approval, consent or authorisation of the shareholders of CGB in a general meeting is required for any such extension.

On expiry of the Proposed ESS, any offer which have yet to be accepted by the Selected Person and any Awards which has yet to be released or vested (whether fully or partially) shall be deemed cancelled and be null and void.

### 3.6 Retention period

A participant who is an eligible non-executive Director must not sell, transfer or assign CGB Shares obtained pursuant to an offer made to him/her or new CGB Shares obtained through the exercise of ESS Options within one (1) year from the date of the offer of the Awards to him/her.

Save for the above, there is no retention period unless stipulated by the ESS Committee.

### **3.7 Shares Grant subscription price and ESS Options exercise price**

The subscription price of the Shares Grant and exercise price of the ESS Options to be awarded under the Proposed ESS shall not be priced at a discount (as determined by the ESS Committee) of more than 10% of the 5-day VWAP of CGB Shares immediately preceding the offer date (or such basis as the relevant authorities may permit).

For illustrative purposes, 10% discount to the 5-day VWAP of CGB Share up to and including LPD of RM2.16 is RM1.94.

### **3.8 Ranking of the CGB Shares**

The CGB Shares to be allotted and issued and/or transferred from treasury shares (as the case may be) upon the exercise of the Shares Grant pursuant to the Awards and/or upon the exercise of the ESS Options pursuant to the Awards, shall upon allotment and issuance or transfer from treasury shares (as the case may be), shall carry the same rights with existing CGB Shares, save and except that the CGB Shares so issued and/or transfer will not be entitled for any dividends, rights, allotments and/or other distribution declared, made or paid to shareholders, the entitlement date of which is prior to the date of transfer or allotment of the CGB Shares to be issued.

### **3.9 Listing of and quotation for the new GCB Shares issued pursuant to the Proposed ESS**

Bursa Securities had vide its letter dated 28 April 2021 approved the listing of and quotation for such number of new CGB Shares, representing up to 15% of the total number of issued shares of CGB (excluding treasury shares, if any) to be issued pursuant to the Proposed ESS on the Main Market of Bursa Securities.

### **3.10 Alteration of capital**

In the event of any alteration in the capital structure of the Company during the Proposed ESS period (whether by way of capitalisation of profit or reserves, rights issues, reduction, subdivision or consolidation of capital or otherwise but excluding any cancellation of capital which is lost or unrepresented by available assets), the Board, in accordance to the By-Laws, shall have the discretion, whether to make adjustments to the:-

- (i) subscription price for the Shares Grant and/or the exercise price of the ESS Options; and/or
- (ii) the number of CGB Shares comprised in the Awards.

Any adjustment will be made in accordance with the provisions of the By-Laws.

### **3.11 ESS Committee**

The Proposed ESS will be implemented and administered by the employees' shares scheme committee ("**ESS Committee**"), the members of which shall be duly appointed and authorised by the Board. The ESS Committee will have sole and absolute discretion in administering the Proposed ESS subject to the terms of reference which the Board may establish to regulate and govern the ESS Committee's functions and responsibilities under the By-Laws. The ESS Committee shall have the absolute discretion in determining whether the Awards will be granted in one (1) single tranche or on a staggered basis over the duration of the Proposed ESS.

The ESS Committee shall comprise persons from the Board and/or management of CGB Group and shall ensure that the respective Directors and/or senior management do not participate in the deliberation or discussion of their own allocation and/or allocation to persons connected to them. A Selected Person who is a member of the ESS Committee shall abstain from deliberations in respect of any Awards granted or to be granted to that Selected Person and/or persons connected to them.

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

- (i) issuance of new CGB Shares;
- (ii) acquisition of existing CGB Shares from the open market;
- (iii) transferring CGB treasury shares;
- (iv) payment by cash; or
- (v) any combination of the above.

In considering the settlement of the Awards, the ESS Committee will take into consideration, amongst others, factors such as the prevailing market price of CGB Shares, funding considerations, impact on CGB Group's earnings and dilutive effects on the Company's capital base.

### **3.12 Amendment, variation and/or modification to the Proposed ESS**

Subject to the By-Laws and compliance with the Listing Requirements and the approvals of any other authorities (if required), the ESS Committee may at any time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add, amend, modify and/or delete all of any part of the By-Laws upon such recommendation provided always that no additions or amendments to or deletions of these By-laws shall be made which will:-

- (i) prejudice any rights then accrued to any participant without the prior consent or sanction of that Participant (as the case may be);
- (ii) prejudice any rights of the shareholders CGB without the prior approval of the CGB's shareholders in a general meeting; or
- (iii) 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 Listing Requirements, without the prior approval of the CGB's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

The approval of the shareholders of the Company in a general meeting shall not be required in respect of additions, amendments and/or modifications to and/or deletions of the By-Laws save and except if such additions, amendments and/or modifications to and/or deletions would provide an advantage to any participant or group of participants or all the participants, unless otherwise permitted under the provisions of the Listing Requirements.

### **3.13 Acceptance of the Offer**

The Offer may only be accepted by the Selected Person during the Offer Period in such form and manner as may be prescribed in the Offer and shall be accompanied by a non-refundable sum of RM1.00 only payable to the Company in the event the Offer comprises ESS Options. The date of receipt by the ESS Committee of such form together with the money shall be the date of acceptance of the Offer by the Selected Person, provided that the Proposed ESS is not terminated pursuant to the By-Laws.

In the event that the Selected Person fails to accept the Offer in the manner prescribed within the Offer period, the Offer shall automatically lapse and shall then be null and void provided that the ESS Committee shall not be precluded from making a fresh Offer, on such terms as the ESS Committee may so decide, to the Selected Person subsequently.

### **3.14 Fees, costs and expenses**

All fees, costs and expenses incurred in relation to the Proposed ESS including but not limited to the costs and expenses (including stamp duty, if any) relating to the allotment and issue and/or transfer of the Shares Grant(s) pursuant to an Award and/or CGB Share(s) upon the exercise of any ESS Option(s) (excluding the Exercise Price of such ESS Option(s)), shall be borne by the Company.

However, each participant will be solely responsible for any taxes (including income tax) which may be levied on the participant arising out of or as a result of such allotment and issuance and/or transfer of CGB Shares.

### **3.15 Termination of the Proposed ESS**

Notwithstanding anything set out in the By-Laws and subject always to compliance with the Listing Requirements and any other relevant rules or requirements, the Proposed ESS may be terminated by the Company at any time before its expiry without obtaining the approvals or consents from the participants and/or its shareholders provided that the Company makes an announcement immediately to Bursa Securities. In the event of such termination:-

- (i) no further Offers shall be made by the ESS Committee from the termination date;
- (ii) all Offers which have yet to be accepted by Selected Persons shall automatically lapse on the termination date;
- (iii) all outstanding ESS Options which have yet to be exercised by the participants shall be given a 30 days' notice to exercise their ESS Options, failing which all outstanding ESS Options shall automatically lapse on the termination date; and
- (iv) all Unvested Awards will cease to be capable of being vested in the relevant participants.

## **4. RATIONALE FOR THE PROPOSALS**

### **4.1 Proposed Bonus Issue of Warrants**

The Proposed Bonus Issue of Warrants serves to reward existing shareholders of the Company for their continued support to the Company by providing them with the opportunity to increase their equity participation in the Company through the exercise of their Warrants during the exercise period of the Warrants.

The Proposed Bonus Issue of Warrants presents an opportunity for the Company to raise funds progressively as and when the Warrants are exercised, for the proposed utilisation as set out in Section 5 below without the need of incurring bank borrowings which carry interest costs and may also require collaterals.

## **4.2 Proposed ESS**

The Company believes it is important to continue to motivate, incentivise and reward its employees and also to align the interests of the Eligible Persons with the corporate goals of CGB Group. The Proposed ESS is intended to:-

- (i) reward Eligible Persons for their contribution towards CGB Group;
- (ii) create a sense of loyalty and ownership amongst the employees, by giving the employees an opportunity to participate in the equity of the Company;
- (iii) increase the level of commitment, dedication and loyalty of the Eligible Persons by rewarding them with an equity stake in the Company; and
- (iv) provide incentive for the Eligible Persons to participate more actively in the operations of the Group and encourage them to contribute to the future growth of the Group.

The Proposed ESS is also extended to include the non-executive Directors of CGB Group in recognition of their contributions towards the growth and performance of CGB Group. In addition, the opportunity to participate in the equity of the Company is an incentive for their continuous efforts and contributions to the development and growth of the CGB Group.

## **5. UTILISATION OF PROCEEDS**

### **5.1 Proposed Bonus Issue of Warrants**

The Proposed Bonus Issue of Warrants will not raise any proceeds for the Company until such time the Warrant holders exercise their Warrants.

The exact quantum of proceeds that may be raised by the Company will depend on the actual number of Warrants exercised during the 5 years tenure of Warrants. As such, the timeframe for the utilisation of proceeds is not determinable at this juncture.

Assuming all 174,132,912 Warrants are exercised at the assumed exercise price of RM2.60 each, the gross proceeds raised would be up to approximately RM452.75 million. The Company intends to utilise such funds, if and when materialised primarily for capital expenditure purposes.

Currently, the Group has an existing production facility located in Taiping, Perak with 58 production lines. The Group has plans to revamp some of these existing production facilities as well as expand its production facilities in Taiping, Perak. The Group intends to fund these capital expenditures via internally generated funds.

The Group also owns a piece of vacant industrial land in Batu Gajah, Perak with a total land size of approximately 15.75 hectares. The Group plans to develop a new production facility on this piece of land in phases. The timing for each phase is depending on the demand for its gloves, positive market sentiments, availability of funds and relevant approvals being obtained. Tentatively, the Group plans to build a production facility with a total floor area of approximately 67,000 square meters capable of housing up to 56 dipping lines. The Group estimates that upon full completion of the facility, the new facility will be capable of producing approximately 14.5 billion gloves per annum. The Group estimates that it will require approximately RM1.20 billion to complete its production facility in Batu Gajah, Perak and intends to fund it via a combination of internally generated funds, bank borrowings and proceeds raised from as and when the Warrants are exercised. For avoidance of doubt, the Group has yet to finalise its development plans for this facility.



In the event the Group's expansion of its Batu Gajah, Perak production facility is completed and fully funded via internally generated funds and bank borrowings before proceeds from the exercise of Warrants are received, if any, the Group purposes to utilise such proceeds, if any, for the repayment of outstanding bank borrowings utilised for the expansion.

Pending the utilisation of the proceeds raised as and when the Warrants are exercised, such proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board deems fit.

## **5.2 Proposed ESS**

The Company will not receive any proceeds from the granting of any Awards and subsequent allotment and listing of Shares Grant.

The Company will not receive any proceeds from the ESS Options until such time the ESS Options are exercised by the participant. The actual proceeds to be received from the ESS Options will be dependent on amongst others, the number of ESS Options exercised at the relevant point in time and the exercise price.

The Company intends to utilise such proceeds for the working capital of CGB Group.

## **6. PROSPECTS OF CGB GROUP**

CGB Group is involved in the manufacturing of rubber gloves, including but not limited to latex, nitrile and specialty gloves mainly for the export market. For the financial year ended 2020, approximately RM203.07 million (40%) of the total Group's revenue (RM510.74 million) are derived from buyers in Malaysia which eventually export these gloves overseas. The Group also exports its gloves directly to countries such as, amongst others, United States of America, Canada, other Asian countries and Europe.

### **6.1 Overview and outlook of Malaysian economy**

The Malaysian economy recorded a negative growth of 3.4% in the fourth quarter (3Q 2020: -2.6%), largely attributable to the imposition of the Conditional Movement Control Order (CMCO) on a number of states since mid-October. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. On the expenditure side, moderating private consumption and public investment activities weighed on domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 0.3% (3Q 2020: +18.2%).

In terms of sectoral performance, all economic sectors, except manufacturing, registered negative growth in the fourth quarter.

For 2021, while near-term growth will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter onwards. The improvement will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures including PENJANA, KITA PRIHATIN, 2021 Budget and PERMAI, and higher production from existing and new facilities in the manufacturing and mining sectors. The vaccine rollout from February onwards is also expected to lift sentiments.

*(Source: Bank Negara Malaysia, Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2020)*

## 6.2 Overview and outlook of the Malaysian glove industry

In 2019, Malaysia exported 187 billion pieces out of an estimated world consumption of 296 billion pieces. In the 1st quarter of 2020, export of gloves amounted to approximately 53 billion pieces. For 2020, Malaysian Rubber Glove Manufacturers Association (“**MARGMA**”) estimated world consumption to reach 330 billion pieces of gloves and Malaysia is expected to provide about 220 billion pieces. MARGMA foresees that the shortage of gloves, which is due to overwhelming demand this year, to spill into 2021 with the industry continuing to be in an oversold position.

*(Source: MARGMA’s press statement dated 4 June 2020)*

On 23 December 2020, it was also reported that MARGMA anticipates the global shortage of rubber gloves will last beyond the first quarter of 2022 and Malaysia’s export revenue to hit RM29.8 billion in 2020 with global demand estimated to reach 360 billion gloves. As for 2021, MARGMA forecasts an annual demand growth rate of around 15-20% with projected export revenue to be RM34 billion in 2021 with global demand estimated to reach 420 billion gloves.

Malaysia’s exports of goods in January 2021 increased to RM89.6 billion from RM84.1 billion in January 2020. The expansion was contributed mainly from Electrical and electronic (E&E) products and rubber gloves with an increase of RM4.2 billion (+13.1%) and RM4.1 billion (+270.6%), respectively.

In January 2021, the highest exports of rubber gloves were to the United States at 29,319 tonnes followed by Germany (5,848 tonnes) and China (5,176 tonnes) as depicted in table below. Exports value increased by 21.6 per cent to RM5.6 billion as compared to RM4.6 billion in December 2020.

### **Top 10 Export Countries of Rubber Gloves, November and December 2020**

	Quantity (Tonnes)		Value (RM million)	
	November 2020	December 2020	November 2020	December 2020
United States	25,576	27,247	1,524.9	1,709.9
China	4,921	5,611	198.8	237.8
Germany	5,929	5,600	330.1	314.0
Japan	4,302	3,929	273.7	273.6
United Kingdom	4,391	3,681	273.4	231.9
Canada	2,595	2,907	155.7	199.8
Spain	2,534	2,473	167.1	157.9
Netherlands	2,139	2,281	128.2	149.3
Poland	1,939	2,112	121.5	139.7
France	1,712	1,829	94.6	108.0

*(Source: Malaysian Economic Statistics Review, Volume 2/2021)*

### Top 10 Export Countries of Rubber Gloves, December 2020 and January 2021

	Quantity (Tonnes)		Value (RM million)	
	December 2020	January 2021	December 2020	January 2021
United States	27,247	29,319	1,709.9	2,156.5
Germany	5,600	5,848	314.0	408.1
China	5,611	5,176	237.8	241.0
Japan	3,929	4,296	273.6	315.6
United Kingdom	3,681	3,652	231.9	246.4
Brazil	1,654	3,022	70.7	147.2
Netherlands	2,281	2,565	149.3	187.3
Turkey	1,597	2,416	82.1	139.8
Canada	2,907	2,382	199.8	176.6
Spain	2,473	2,206	157.9	163.3

(Source: Malaysian Economic Statistics Review, Volume 3/2021)

### 6.3 Prospects of the CGB Group

Since the global and local outbreak of the COVID-19 pandemic in early 2020, the Malaysian government had imposed the movement control order (“MCO”) in March 2020 and the MCO 2.0 in January 2021. The Group’s operations were not significantly affected except that there were some disruptions on workforce and supply chain at the beginning of the MCO. The Group implemented standard operating procedures in accordance with government’s recommended practice as part of its efforts to manage and minimise COVID-19 infection among the Group’s staff.

In view that COVID-19 has become a pandemic since 2020, the demand for personal protective equipment, particularly medical gloves, all required to curb the pandemic has surged. In order to meet the increase in demand, CGB Group has streamlined its operations to increase productivity and output. As a result, the Group managed to increase its production output by approximately 30% based on the unaudited financial year ended 31 January 2021. As at LPD, the Group has 58 dipping lines capable of producing approximately 6.8 billion gloves per annum.

With regards to the Group’s expansion plans, the Group is currently in the midst of revamping and building new production lines for 3 of its factories located in Taiping, Perak. The Group plans to dismantle 20 dipping lines and rebuilding 22 new dipping lines. The new dipping lines are capable of producing 3.9 billion gloves per annum, a 57% increase from the Group’s existing capacity.

As detailed in Section 5.1 above, as and when demand for the Group’s gloves increases and with the availability of funding, the Group has plans to build a production facility in Batu Gajah, Perak. The Group estimates that the completed production facility will be capable of producing up to 14.5 billion gloves per annum.

Upon completion of the aforementioned expansion plans, the Group’s total production capacity is expected to grow from 6.8 billion gloves per annum to 25.2 billion gloves per annum, a 270% increase of its current production capacity as at the LPD.

The Group is noticing an increase of segmentation and differentiation in rubber gloves market leading to an increase demand for specialty gloves. CGB Group believes that there is potential to grow its specialty glove segment as consumers now focus and increase emphasis on hygiene and sanitisation due to the COVID-19 pandemic.

Notwithstanding the roll out of the COVID-19 vaccine, CGB Group is of the view that the demand for rubber gloves will continue to sustain as the vaccine deployment would still require the use of rubber gloves when administering the vaccination.

CGB Group expects global gloves consumption to increase in the long run as a result of the continuing increase in usage of gloves as a protective barrier in the healthcare sector; and the increase in hygiene awareness in non-healthcare sectors such as hospitality, food services and personal care since the outbreak of COVID-19 pandemic. In view of the positive outlooks of the gloves industry as set out above, CGB Group intends to capitalise on this opportunity to develop a steady customer base.

Premised on the above, the Group believes that barring any unforeseen circumstances, its prospects should be positive moving forward.

*(Source: Management of CGB)*

## 7. EFFECTS OF THE PROPOSALS

### 7.1 Issued Share Capital

The Proposed Bonus Issue of Warrants will not have an immediate effect on the existing issued share capital of the Company until and unless new CGB Shares are issued pursuant to the exercise of the Warrants. The issued share capital of the Company will increase progressively as and when the Warrants are exercised, if any.

The Proposed ESS will not have an immediate effect on the existing issued share capital of the Company until and unless new Shares Grant are vested and/or ESS Options are exercised pursuant to the Awards granted under the Proposed ESS. The issued share capital of the Company will increase progressively depending on the number of Awards vested and exercised.

For illustration purposes, the pro forma effects of the Proposals on the issued share capital of the Company as at LPD are as follows:-

	<b>Number of CGB Shares</b>	<b>RM</b>
Issued share capital	(i) 580,443,043	142,985,383
Shares to be issued pursuant to exercise of all Warrants	(ii) 174,132,912	(ii) 452,745,571
	<u>754,575,955</u>	<u>595,730,954</u>
Shares to be issued pursuant to the Proposed ESS <sup>(iii)</sup>	113,186,393	244,482,609
<b>Enlarged share capital</b>	<b><u>867,762,348</u></b>	<b><u>840,213,563</u></b>

**Notes:-**

- (i) *Excluding 2,506,100 treasury shares.*
- (ii) *Assuming the issuance of 174,132,912 Warrants based on the Group's issued share capital (less treasury shares) as at LPD and subsequent exercise of the Warrants at an assumed exercise price of RM2.60 each.*
- (iii) *Assuming all 15% of the Awards granted in relation to the Proposed ESS are settled via the issuance of new CGB Shares at an issue price of RM2.16 each, being the 5-day VWAP of CGB Shares up to and including the LPD.*

## 7.2 Net assets (“NA”) and gearing

The Proposed Bonus Issue of Warrants will not have an immediate effect on the consolidated NA of CGB Group and NA per CGB Share until such time when new CGB Shares are issued pursuant to the exercise of the Warrants. The potential effect on the consolidated NA of CGB Group and NA per CGB Share would depend on the number of CGB Shares to be issued pursuant to the exercise of the Warrants and the Warrant exercise price.

The Proposed ESS will not have an immediate effect on the consolidated NA of CGB Group and NA per CGB Share until such time when the Awards are granted. The potential effect on the consolidated NA of CGB Group and NA per CGB Share would depend on, amongst others, the number of CGB Shares to be issued pursuant to the Awards, fair value of the Awards and the exercise price of the ESS Options.

The pro forma effects of the Proposals on CGB’s NA per Share and gearing based on the latest audited consolidated statement of financial position of CGB as at 31 January 2020 (“FY 2020”) and the 12 months unaudited consolidated financial position of CGB as at 31 January 2021 (“FY 2021”) are as follows:-

### (i) Audited FY 2020

	(I) Audited 31 January 2020 RM’000	(I) Subsequent events RM’000	(II) After (I) and all Warrants exercised RM’000	(III) After (II) and Proposed ESS RM’000
Share capital	142,985	142,985	<sup>(b)</sup> 595,731	<sup>(c)</sup> 840,214
Other reserves	11,319	11,319	11,319	11,319
Revaluation reserve	19,892	19,892	19,892	19,892
Treasury shares	-	<sup>(a)</sup> (4,771)	(4,771)	(4,771)
Retained earnings	136,498	136,498	<sup>(d)</sup> 136,148	136,148
<b>Equity attributable to owners of the Company / NA</b>	<b>310,694</b>	<b>305,923</b>	<b>758,319</b>	<b>1,002,802</b>
Number of CGB Shares in issue (‘000)	582,949	<sup>(a)</sup> 580,443	<sup>(b)</sup> 754,576	<sup>(c)</sup> 867,762
NA per Share (RM)	0.53	0.53	1.00	1.16
Total borrowings	84,436	84,436	84,436	84,436
Gearing (times)	0.27	0.28	0.11	0.08

#### Notes:-

- (a) After accounting for the CGB Shares purchased by the Company at the price ranging from RM1.87 to RM2.01 each.
- (b) Assuming all 174,132,912 Warrants are exercised at an assumed exercise price of RM2.60 each.
- (c) Assuming the issuance of 113,186,393 new CGB Shares at an issue price of RM2.16 each, being the 5-day VWAP of CGB Shares up to and including LPD, in relation to the Proposed ESS.
- (d) After accounting for RM0.35 million estimated expenses in relation to the Proposals.

(ii) 12 months unaudited FY 2021

	(I)	(II)	(III)	
	Unaudited 31 January 2021 RM'000	Subsequent events RM'000	After (I) and all Warrants exercised RM'000	After (II) and Proposed ESS RM'000
Share capital	142,985	142,985	<sup>(b)</sup> 595,731	<sup>(c)</sup> 840,214
Other reserves	11,319	11,319	11,319	11,319
Revaluation reserve	19,217	19,217	19,217	19,217
Treasury shares	-	<sup>(a)</sup> (4,771)	(4,771)	(4,771)
Retained earnings	415,767	415,767	<sup>(d)</sup> 415,417	415,417
<b>Equity attributable to owners of the Company / NA</b>	<b>589,288</b>	<b>584,517</b>	<b>1,036,913</b>	<b>1,281,396</b>
Number of CGB Shares in issue ('000)	582,949	<sup>(a)</sup> 580,443	<sup>(b)</sup> 754,576	<sup>(c)</sup> 867,762
NA per Share (RM)	1.01	1.01	1.37	1.48
Total borrowings	53,919	53,919	53,919	53,919
Gearing (times)	0.09	0.09	0.05	0.04

**Notes:-**

- (a) After accounting for the CGB Shares purchased by the Company at the price ranging from RM1.87 to RM2.01 each.
- (b) Assuming all 174,132,912 Warrants are exercised at an assumed exercise price of RM2.60 each.
- (c) Assuming the issuance of 113,186,393 new CGB Shares at an issue price of RM2.16 each, being the 5-day VWAP of CGB Shares up to and including LPD, in relation to the Proposed ESS.
- (d) After accounting for RM0.35 estimated expenses in relation to the Proposals.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

### 7.3 Substantial shareholders' shareholdings

The Proposed Bonus Issue of Warrants is not expected to have any immediate effect on the substantial shareholders' shareholdings in the Company until new CGB Shares are issued pursuant to the exercise of the Warrants. The actual quantum of effect on the substantial shareholders' shareholdings in the Company would depend on the number of new CGB Shares issued at the relevant point in time.

The Proposed ESS is not expected to have any effect on the substantial shareholders' shareholdings of the Company until new CGB Shares are issued pursuant to the vesting of the Awards under the Proposed ESS. The effect on substantial shareholders' shareholding in the Company would depend on the number of new CGB Shares issued at the relevant point in time.

If existing CGB Shares are transferred to the Participants as a mode of settlement for the Awards, there will be no impact on the shareholdings of CGB's substantial shareholders unless such Participants are also substantial shareholders of the Company. If the Awards are settled in cash, there will be no effect on the shareholdings of CGB's substantial shareholders.

For illustrative purposes, assuming all Warrants are exercised, the Maximum Awards under the Proposed ESS are granted are settled via the issuance of new CGB Shares, the pro forma effects of the Proposals on the substantial shareholders' shareholdings are as follows:-

Substantial shareholders	As at LPD				(I) Assuming all Warrants exercised				(II) After (I) and the Proposed ESS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
	'000		'000		'000		'000		'000		'000	
Keen Setup Sdn Bhd	104,000	17.9	-	-	135,200	17.9	-	-	135,200	15.6	-	-
Dato' Lau Eng Guang	34,507	5.9	<sup>(i)(ii)</sup> 127,900	22.0	44,859	5.9	<sup>(i)(ii)</sup> 166,270	22.0	44,859	5.2	<sup>(i)(ii)</sup> 166,270	19.2
Datin Goh Kim Kooi	175	<sup>(iii)</sup> -	<sup>(ii)</sup> 104,000	17.9	227	<sup>(iii)</sup> -	<sup>(ii)</sup> 135,200	17.9	227	<sup>(iii)</sup> -	<sup>(ii)</sup> 135,200	15.6

#### Notes:-

(i) Deemed interested by virtue of his spouse's and children's' shareholdings in CGB.

(ii) Deemed interested by virtue of his/her shareholdings in Keen Setup Sdn Bhd.

(iii) Less than 0.1%.

For information, the Proposed Specific Allocation will involve granting up to 10% of the scheme's Awards to Lau Joo Yong and Lau Joo Pern, both Directors of the Company, but it will not result in them becoming substantial shareholders of the Company.

#### 7.4 Earnings and EPS

The Proposals are not expected to have any material effect on the earnings of CGB Group for the financial year ending 31 January 2022. The EPS of CGB Group will be proportionately diluted as a result of the increase in the number of CGB Shares in issue pursuant to the Proposals.

The Proposals are not expected to have any material effect on the earnings and EPS of the CGB Group until such time when the Warrants are exercised and/or the Awards are granted.

The potential effect on the EPS of CGB Group cannot be determined at this juncture as it would depend on amongst others, the number of Warrants exercised, the number of Awards granted and/or exercised and the various factors that affect the fair value of the Awards to be granted.

The estimated expenses of RM0.35 million pursuant to the Proposals will be funded by internally generated funds of the CGB Group.

The Company in administering the Proposed ESS, will be mindful of the impact of the granting of Awards on the Group's earnings.

#### 7.5 Convertible Securities

As at LPD, CGB does not have any convertible securities in issue.

### 8. 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>Low</u>
	RM	RM
<b><u>2020</u></b>		
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
<b><u>2021</u></b>		
January	3.76	2.77
February	3.18	2.14
March	2.35	1.80
April up to LPD	2.39	1.84
The last transacted market price of CGB Shares on 9 April 2021 (being the last trading day prior to the Announcement of the Proposals)		2.19
The last transacted market price of CGB Shares as at LPD		2.36



## 9. APPROVALS REQUIRED

The Proposals are subject to the approvals being obtained from the following:-

- (i) Bursa Securities for the following:-
  - (a) admission to the Official List and listing of and quotation for up to 174,132,912 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
  - (b) listing of and quotation for up to 174,132,912 new CGB Shares to be issued pursuant to the exercise of Warrants; and
  - (c) listing of such number of additional new CGB Shares, representing up to 15% of the total number of issued shares of CGB (excluding treasury shares, if any), to be issued pursuant to the Proposed ESS,

which was obtained vide its letter dated 28 April 2021 and is subject to the following conditions:-

<b>No.</b>	<b>Conditions imposed by Bursa Securities</b>	<b>Status of compliance</b>
1.	CGB and AmInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
2.	CGB and AmInvestment Bank are required to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;	To be complied
3.	AmInvestment Bank is required to submit a 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 a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESS;	To be complied
4.	CGB 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 and exercise of the Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
5.	CGB and AmInvestment Bank are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed.	To be complied

- (ii) the shareholders of CGB at the forthcoming EGM; and
- (iii) any other relevant authorities/parties, if required.

The Proposals are not conditional upon each other or any other corporate exercise/scheme which has been announced but not yet completed and/or any other corporate exercise/scheme by the Company.

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

None of the Directors, chief executive, major shareholders of the Company and/or persons connected to them have any interest, either direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of the Company, which the Warrants are available to all shareholders of the Company.

Save as disclosed below, none of the other Directors, chief executive, major shareholders of the Company and/or persons connected to them have any interest, direct or indirect in the Proposed ESS.

The following Directors, major shareholders and/or persons connected to them are interested/ deemed interested in the Proposed Specific Allocation:-

- (i) Lau Joo Yong, the Group Chief Executive Officer is interested in the Proposed Specific Allocation by virtue of the proposed allocation of Awards to him;
- (ii) Lau Joo Pern, an Executive Director is interested in the Proposed Specific Allocation by virtue of the proposed allocation of Awards to him;
- (iii) Dato' Lau Eng Guang, Executive Chairman and a major shareholder of CGB by virtue of his equity interest in Keen Setup Sdn Bhd and his immediate family, is deemed interested in the Proposed Specific Allocation by virtue of his relationship as the father of Lau Joo Yong and uncle to Lau Joo Pern;
- (iv) Keen Setup Sdn Bhd, a major shareholder of CGB is deemed interested in the Proposed Specific Allocation by virtue of Dato' Lau Eng Guang and Datin Goh Kim Kooi's equity interest in the Company; and
- (v) Datin Goh Kim Kooi, a major shareholder of CGB by virtue of her equity interest in Keen Setup Sdn Bhd, the spouse of Dato' Lau Eng Guang, is deemed interested in the Proposed Specific Allocation by virtue of her relationship as the mother of Lau Joo Yong and aunty to Lau Joo Pern.

(collectively referred to as the “Interested Directors” and/or “Interested Major Shareholders” as the case may be)

The Interested Directors have abstained and will continue to abstain from all deliberations and voting in respect of the Proposed Specific Allocation at the relevant Board meetings of the Company.

The Interested Directors and Interested Major Shareholders will abstain from voting and undertake to ensure that persons connected to them will also abstain from voting in respect of their direct and/or indirect shareholdings in CGB on the resolutions pertaining to the Proposed Specific Allocation at the EGM to be convened.

For information, the respective shareholdings of the Interested Directors are as follows:-

Interested Directors	As at LPD			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
	'000		'000	
Dato' Lau Eng Guang	34,507	5.9	(i)(ii) 127,900	22.0
Lau Joo Yong	-	-	-	-
Lau Joo Pern	-	-	-	-

**Notes:-**

(i) *Deemed interested by virtue of his spouse's and children's' shareholdings in CGB.*

(ii) *Deemed interested by virtue of his/her shareholdings in Keen Setup Sdn Bhd.*

**11. DIRECTORS' RECOMMENDATION**

The Board, after having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company and its shareholders. Accordingly, the Board recommends that the shareholders of CGB vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

The Board (save for the Interested Directors in relation to their respective allocations and allocations to persons connected to them pursuant to the Proposed Specific Allocation), having considered all aspects of the Proposed Specific Allocation, recommends that you vote in favour of the ordinary resolutions in relation to the Proposed Specific Allocation to be tabled at the forthcoming EGM.

**12. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

As at the date of this Circular, save for the Proposals, the Company does not have any outstanding proposals that have been announced but pending completion.

**13. THE DETAILS OF FUND-RAISING EXERCISE UNDERTAKEN IN THE PAST 12 MONTHS**

The Company had not undertaken any fundraising exercise during the past 12 months up to LPD.

**14. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Bonus Issue of Warrants is expected to be completed by the 2<sup>nd</sup> quarter of 2021.

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

<b>Tentative timeline</b>	<b>Key milestones</b>
18 May 2021	<ul style="list-style-type: none"><li>• EGM</li></ul>
Mid May 2021	<ul style="list-style-type: none"><li>• Announcement of Entitlement Date for Proposed Bonus Issue of Warrants</li></ul>
Early June 2021	<ul style="list-style-type: none"><li>• Warrants Entitlement Date</li><li>• Listing of and quotation for the Warrants on the Main Market of Bursa Securities</li><li>• Completion of the Proposed Bonus Issue of Warrants</li><li>• Proposed ESS becomes effective</li></ul>

**15. EGM**

The EGM, the notice of which is enclosed with this Circular, which is scheduled to be held at Hotel Grand Baron, No. 8, PT 7861, Jalan Bukit Larut, 34000 Taiping, Perak on Tuesday, 18 May 2021 at 11.30 a.m., for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposals.

**16. FURTHER INFORMATION**

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

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

**DATO' LAU ENG GUANG**  
Executive Chairman

---

**APPENDIX I – SALIENT TERMS OF THE DEED POLL**

---

The indicative salient terms of the Deed Poll are as follows:-

<b>Terms</b>	<b>Details</b>
Issuer	: CGB
Issue size	: Up to 174,132,912 Warrants on the basis of three (3) Warrants for every ten (10) existing CGB Shares held by the Entitled Shareholders on the Entitlement Date
Form and denomination	: The Warrants will be issued in registered form and constituted by the Deed Poll
Tenure	: 5 years commencing from and inclusive of the Warrants issue date.
Exercise Rights	: Each Warrant will give the Warrant holder(s) an option to subscribe for 1 new CGB Share at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Price	: The exercise price of the Warrants will be determined by the Board and announced by the Company at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue of Warrants but before the announcement of the Entitlement Date.  The amount payable in respect of each new CGB Share to which a Warrant holder is entitled to subscribe for upon exercise of the Exercise Rights or such adjusted price in accordance with the provisions of the Deed Poll
Exercise Period	: The Warrants may be exercised at any time within the period of 5 years commencing on and including the date of issue of the Warrants and ending on the Expiry Date.  Any Warrants that have not been exercised during the Exercise Period will cease to be valid for any purpose and will be deemed to have lapsed.
Expiry Date	: The close of business at 5.00 p.m. in Malaysia on the last date preceding the 5 <sup>th</sup> anniversary of the date of issue of the Warrants and if such date is not a market day, then it will be the market day immediately preceding the said non-market day.
Mode of exercise	: The Warrant holder must complete and sign the exercise notice (which will be irrevocable) and deliver the duly completed executed exercise notice to the Company's registrar together with payment of Exercise Price by way of bankers' draft or cashier's order or a money order or postal order drawn on a bank or post office operating in Malaysia or electronic means and in accordance to the provisions with the Deed Poll.
Participating rights of the Warrant holder in any distribution and/or offer of further securities	: The Warrant holders will not be entitled to participate in any dividends, rights, allotments and/or other distribution that may be declared, made or paid prior to the date of allotment and issuance of new CGB Shares arising from the exercise of the Warrants.  The Warrant holders are not entitled to any voting rights or right to participation in any form of distribution and/or offer of securities in the Company until and unless such Warrant holders exercise their Warrants into new CGB Shares.

---

**APPENDIX I – SALIENT TERMS OF THE DEED POLL (CONT'D)**

---

<b>Terms</b>	<b>Details</b>
Adjustment of the Exercise Price and/or number of Warrants	: The Exercise Price and/or the number of Warrants shall from time to time be adjusted in the event of alteration to the share capital of the Company, capital distribution or issue of shares in accordance with the provisions of the Deed Poll.
Board Lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants will comprise 100 Warrants carrying the rights to subscribe for 100 new CGB Shares at any time during the Exercise Period, or such other denomination as determined by Bursa Securities from time to time.
Modification of rights of the Warrant holders	: The Company may from time to time, without the consent or sanction of the Warrant holders but in accordance with the Deed Poll, modify the Warrants or the Deed Poll, if such modification made does not prejudice the interest of the Warrant holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia, Rule of Bursa Depository Sdn Bhd, Securities Industry (Central Depositories) Act, 1991 and/or the Main Market Listing Requirements of Bursa Securities.  Save as provided above, any other modification, alteration or abrogation of the covenants or provisions contained in the Deed Poll proposed or agreed by the Company, will be subject to the approval of any relevant authority as required under the law in Malaysia and the approval of the Warrant holders sanctioned by special resolution and must be effected only by the deed poll, executed by the Company and expressed to be supplemental and comply with the requirements of the Deed Poll, if applicable.
Rights on winding up, liquidation, compromise and/or arrangement	: If a resolution is passed for a members' voluntary winding-up of the Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:-  (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders, or some persons designated by them for such purposes by a special resolution will be a party, the terms of such winding up, compromise or arrangement will be binding on all the Warrant holders; and  (ii) in any other case, every Warrant holder will be entitled (upon and subject to the conditions) to exercise the Exercise Rights at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within 6 weeks from the granting of the court order approving the compromise or arrangement, as the case may be, by the irrevocable surrender of his Warrants to the Company, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the Exercise Rights attached to such Warrants to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company will give effect to such election accordingly. Upon the expiry of the above 6 weeks, all Exercise Rights of the Warrants will lapse and cease to be valid for any purpose.

---

**APPENDIX I – SALIENT TERMS OF THE DEED POLL (CONT'D)**

---

<b>Terms</b>	<b>Details</b>
Listing Status	: The Warrants will be listed on the Main Market of Bursa Securities.
Governing law	: The Warrants and the Deed Poll will be governed by and in accordance with the laws of Malaysia.

**[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**COMFORT GLOVES BERHAD**  
**DRAFT BY-LAWS FOR CGB’S EMPLOYEES’ SHARE SCHEME**



**COMFORT GLOVES BERHAD  
(REGISTRATION NO.: 193701000006 (852-D))  
(Incorporated in Malaysia)**

**BY-LAWS OF THE EMPLOYEES’ SHARE SCHEME 2021 FOR DIRECTORS AND ELIGIBLE  
EMPLOYEES OF COMFORT GLOVES BERHAD AND ITS SUBSIDIARIES**

**1. DEFINITIONS**

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

“Adviser”	:	A corporate finance adviser licensed to make submissions to the Securities Commission for corporate proposals
“Auditor”		An approved company auditor as defined in Section 263 of the Companies Act, of CGB for the time being or such other external auditors as may be nominated by the Board
“Awards”	:	The Shares Grant and the ESS Option collectively granted pursuant to the By-Laws and “Award” means any one of them in the context of the By-Laws
“Board”	:	The board of directors of CGB
“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”	:	By-Laws governing the Scheme as amended, modified and/or supplemented from time to time
“CDS”	:	The Central Depository System governed under SICDA
“CDS Account”	:	The account established by Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
“CGB”	:	COMFORT GLOVES BERHAD (Registration No.: 193701000006 (852-D)) and, where the context admits, includes its successors- in-title
“CGB Group” or “Group”	:	CGB and its Subsidiaries
“CGB Share(s)” or “Shares”	:	Ordinary share(s) in the share capital of CGB
“Companies Act”	:	Companies Act, 2016, and any amendments made thereto from time to time and includes any re-enactment thereof

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

“Director”	:	Being a person that:-  (iv) occupies or act in the position of director;  (v) is in accordance with whose directions or instructions the directors of a corporation are accustomed to act; or  (vi) is an alternate or substitute director,  in CGB Group and having the meaning given in Section 2(1) of the Act and Section 2 (1) of the Capital Markets and Services Act 2007
“Disciplinary Actions”	:	Actions instituted by CGB or its Subsidiaries against a Participant in writing for any alleged misbehaviour, misconduct and/or any other act of the Participant deemed to be unacceptable in the course of that Participant’s employment, whether or not such actions may give rise to a dismissal or termination of the employment contract and/or contract of service of such Participant
“Effective Date”	:	The date in which this Scheme takes effect being the date on which the last of the approvals and/or conditions referred to in By-Law 6.1 have been obtained and/or complied with and to be determined by the ESS Committee
“Eligible Person”	:	Directors (including non-executive Directors but shall not include alternate and/or substitute Directors) and/or eligible employees of the companies within the CGB Group who fulfils the conditions of eligibility as stipulated in By-Law 4
“ESS Committee”	:	The committee comprising Director(s) and/or Senior Management of the Group to be approved by the Board pursuant to By-Law 20 to implement and administer the Scheme in accordance with these By-Laws
“ESS Option”	:	The right granted to the Participant to exercise and receive a number of Shares at the Exercise Price, subject to the terms and conditions of these By-Laws
“Exercise Price”	:	The price which a Participant is required to pay to be entitled to receive each CGB share pursuant to the exercise of an ESS Option
“Listing Requirements”	:	The Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
“Market Day”	:	Any day between Monday and Friday, both days inclusive, on which Bursa Securities is open for trading in securities

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

“Maximum Allowable Allotment”	:	The maximum number of CGB Shares to be allotted and issues under and/or transfer pursuant to the Awards granted under the Scheme which shall not exceed 15% of the total number of issued shares of CGB (excluding treasury shares, if any) at any point in time during the duration of the Scheme and in accordance with the provisions of By-Law 5
“Offer”	:	An offer made pursuant to Shares Grant and/or ESS Option, as the case may be, made in writing by the ESS Committee to the Participant pursuant to By-Law 8
“Offer Date”	:	The date on which an Offer is made or deemed made by the ESS Committee to a Participant which will be the date the Offer is served in accordance with By-Law 34
“Offer Period”	:	The period of 30 days from the Offer Date or such other period as may be determined by the ESS Committee having regard to the Terms of Reference and specified in the Offer during which an Offer may be accepted
“Option Period”	:	The period commencing from the date of acceptance of the Offer and expiring on the last day of the Scheme Period or upon the date of termination of the Scheme, whichever is earlier, or such other period as specified by the ESS Committee in the Offer
“Participant(s)”	:	Selected Persons who have duly accepted the Offer in accordance with the By-Laws
“Performance Period”	:	The period in which the Performance Targets as may be stipulated by the ESS Committee and set out in the Offer are required to be performed
“Performance Targets”	:	The performance targets as may be stipulated by the ESS Committee and as set out in an Offer which are to be achieved by the Participant during the Performance Period
“RM” and “sen”	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
“Scheme”	:	Scheme comprising the Shares Grant and ESS Option and such schemes to be known as CGB Employees’ Share Scheme and to be set up under and governed by these By-Laws
“Scheme Period”	:	The period of the Scheme as set out in By-Law 6.1
“Selected Person”	:	An Eligible Person to whom an Offer has been made under the Scheme
“Senior Management”	:	Such employees as the ESS Committee may in its sole discretion determine to be senior management

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

- “Service Period” : The period determined by the ESS Committee and stipulated in the Offer during which a Participant:
- (i) must remain/continue in continuous employment and/or service with any corporation in the CGB Group; and
  - (ii) must not have given a notice to resign or received a notice of termination
- “Shares Grant” : The rights granted to the Participants to have a number of Shares vested in the Participants on the Vesting Date(s) specified in the Offer, subject to the terms and conditions of these By-Laws and the Offer
- “Share Subscription Price” : The reference price which is used to determine the number of Shares Grant to be granted as stipulated in the Offer
- “SICDA” : Securities Industry (Central Depositories) Act, 1991 as amended from time to time
- “Subsidiaries” : Subsidiaries of CGB within the meaning of Section 4 of the Companies Act and include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Scheme Period unless determined by the Board and/or ESS Committee, in its sole discretion, that any such subsidiary of CGB will not fall within this expression
- “Terms of Reference” : The terms of reference which the Board may establish to regulate and govern the ESS Committee’s functions and/or responsibilities under these By-Laws as amended from time to time
- “Termination Date” : The effective date of the termination of the Scheme
- Unvested Awards : Awards or any part thereof which have not been vested in the Participant by the relevant date
- “Value” : The value which is used to determine the number of CGB shares offered to a Participant under an Award as stipulated in the Offer
- “Vesting Date(s)” : The date or dates on which the Awards or any part or proportion thereof granted are vested in the Participant, as stipulated by the ESS Committee in the Offer
- 1.2 In these By-Laws, unless the context requires otherwise, words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender include all genders.
- 1.3 The headings and sub-headings in these By-Laws are inserted for convenience only and do not affect the interpretation of these By-Laws.
- 1.4 Any reference to a statute, statutory provision, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated.

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

- 1.5 Any liberty, power or discretion which may be exercised or any decision or determination which may be made pursuant to the By-Laws by the ESS Committee (including any selection) may be exercised in the ESS Committee’s sole discretion having regard only to the Terms of Reference (where applicable) and the ESS Committee will not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.
- 1.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

**2. THE SCHEME**

2.1 The Scheme will be called the “**Proposed ESS**” and will comprise the following:

- (a) the Shares Grant; and
- (b) the ESS Options.

**3. MAXIMUM NUMBER OF AWARDS AVAILABLE UNDER THE SCHEME**

3.1 Subject to By-Law 3.2, the maximum number of Awards which may be made available under the Scheme shall not exceed in aggregate 15% of the total number of issued shares of CGB (excluding treasury shares, if any) during the duration of the Scheme Period (“**Maximum Awards**”).

3.2 In the event that CGB purchases or cancels its own shares in accordance with the provisions of Section 127 of the Companies Act or otherwise howsoever or undertakes any other corporate proposal resulting in the reduction of its total number of issued shares (excluding treasury shares), the following provisions will apply in respect of future Offers but all the Awards granted prior to such purchase and/or the reduction/adjustment of the issued ordinary shares capital of CGB will remain valid or exercisable in accordance with the provisions of the Scheme as if that reduction/adjustment had not occurred:

- (a) if, after such purchase, cancellation and/or reduction, the aggregate number of CGB shares in respect of the Awards granted (including the CGB Shares comprised in ESS Options granted, whether or not exercised) by CGB as at the date of purchase, cancellation and/or reduction of Shares is greater than the Maximum Awards, no further Offers will be made by the ESS Committee until such aggregate number of CGB shares in respect of the Offers and/or Awards granted falls below the Maximum Awards; and
- (b) if, after such purchase, cancellation and/or reduction, the aggregate number of CGB share in respect of the Awards granted (including the CGB Shares comprised in ESS Options granted, whether or not exercised) by CGB as at the date of purchase, cancellation and/or reduction of Shares is less than the Maximum Awards, the ESS Committee may make further Offers but only until such aggregate number of CGB shares in respect of the Offers and/or Awards granted is equivalent to the Maximum Awards after such purchase, cancellation and/or reduction.

**4. ELIGIBILITY**

4.1 Any Directors(including non-executive Directors) or employee of a company in the CGB Group (excluding the Subsidiaries which are dormant), who have attained the age of 18 years and hold the designated job grade or rank/position of a non-dormant company within CGB Group at the Offer Date will be eligible for consideration and selection as a Participant by the ESS Committee.

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

- 4.2 Notwithstanding By-Law 4.1, any Director (including executive or non-executive and/or independent or non-independent Directors but excluding the Directors of the Subsidiaries which are dormant, alternate and/or substitute Directors), who meets the following criteria as at the Offer Date will be eligible for consideration and selection as a Participant by the ESS Committee:-
- (a) if he has attained the age of 18 years and is not an undischarged bankrupt;
  - (b) if he is a Director (including executive or non-executive and/or independent or non-independent Directors of CGB but shall not include alternate and/or substitute Directors) or any Director of any other company within the CGB Group which is not dormant;
  - (c) if he is the Director, chief executive officer, major shareholder of CGB, the specific allocation of Shares Grant and ESS Options granted by CGB to him in his capacity as a Director, chief executive officer or major shareholder of CGB under the Scheme has been approved by the shareholders of CGB at a general meeting; and/or
  - (d) if he fulfils any other criteria and/or falls within such category as may be set by the ESS Committee from time to time.
- 4.3 Notwithstanding By-Laws 4.1 and 4.2, the ESS Committee may from time to time, at its sole discretion select and identify suitable Selected Persons to be offered the Awards.
- 4.4 Eligibility for consideration under the Scheme does not confer a Director or employee with any rights whatsoever under or to participate in the Scheme unless the ESS Committee has made an Offer to the Eligible Person, and the Eligible Person has accepted the Offer in accordance with the terms of the By-Laws.
- 4.5 The selection of any Director or employee for participation in the Scheme will be made by the ESS Committee in writing whose decision will be final and binding.

## **5. MAXIMUM ALLOWABLE ALLOTMENT AND THE BASIS OF ALLOCATION**

- 5.1 Subject to any adjustments which may be made under By-Law 18, the aggregate maximum number of Awards that may be granted to a Selected Person will be determined entirely at the discretion of the ESS Committee (“**Maximum Allowable Allotment**”) provided that:
- (a) the Directors (including non-executive Directors but shall not include alternate and/or substitute Directors) and Senior Management do not participate in the deliberation and discussion of their own allocation and/or the allocation to any person connected with them;
  - (b) not more than 80% of the total Awards under the Scheme shall be allocated to the Directors and/or Senior Management of the CGB Group;
  - (c) not more than 10% of the total Awards under the Scheme shall be allocated to any one of the Director; and
  - (d) not more than 10% of the total Awards under the Scheme shall be allocated to any Selected Person who, either singly or collectively through persons connected with them, hold 20% or more of the total number of issued shares of CGB (excluding treasury shares, if any),

subject always to any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities that may be amended from time to time.

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

- 5.2 Subject to By-Law 5.1 and any adjustments which may be made under By-Law 18, the ESS Committee will determine entirely at its discretion the actual number of Shares Grant and ESS Options to be allocated to a Selected Person after taking into consideration various factors pertaining to the Selected Person such as position, performance, ranking, length of service, potential contribution to the Group and any other factors deemed appropriate by the ESS Committee.
- 5.3 At the time the Offer is made in accordance with By-Law 8, the ESS Committee will set out the basis of allotment, identifying the category or grade of the Selected Person and the Maximum Allowable Allotment for the Selected Person.
- 5.4 A set of criteria on eligibility in respect of the allocation as determined by the ESS Committee from time to time will be made available to all employees and Directors of the Group.
- 5.5 CGB and/or ESS Committee will ensure that the allocation of CGB shares to Participants is verified at the end of each financial year of CGB by CGB’s audit committee, as being in compliance with the criteria referred to in By-Law 5.2.
- 5.6 In the event that a Participant is promoted, such promoted Participant may be eligible for consideration for additional Awards to be decided by ESS Committee at its discretion subject to the following:
- (a) that the additional Offer will be from the balance of the Shares available under the Scheme; or
  - (b) the ESS Committee has the discretion not to make further additional Offer in the event that the balance of the Shares available is inadequate to make a meaningful additional allotment.
- 5.7 The ESS Committee has the absolute discretion in determining whether the Awards will be granted in a single tranche or on a staggered basis over the Scheme Period. In the event the ESS Committee decides that the Awards are to be staggered, the number of Awards to be offered pursuant to each Awards and the timing for the vesting of the same shall be decided by the ESS Committee at its sole and absolute discretion and each Awards shall be separate and independent from the other. The number of Awards to be granted per financial year are dependent on amongst others, financial performance of CGB Group, the number of Eligible Persons, retention periods, Awards subscription and/or Exercise Price and fair value of the Awards.
- 5.8 In the event a Participant is demoted to a lower grade for whatsoever reason, he will only be entitled to the allocation of that lower grade unless an Offer has been made and accepted by him before such demotion and where he has accepted an Offer which exceeds his Maximum Allowable Allotment under that lower grade, he will not be entitled to any further allocation for that lower grade.
- 5.9 The ESS Committee shall at its sole discretion decide in relation to an Award, amongst others, the date of the Award, performance condition(s), performance period(s), Service Period, the vesting period(s), Vesting Date release schedule(s), retention period(s) and the extent to which the CGB shares which are the subject of the Award shall be released on the performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the vesting period(s).

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

6.1 The Scheme will take effect on the date on which the last of the following approvals and/or conditions will have been obtained and/or complied with (“**Effective Date**”) and will continue to be in force for a period of 5 years from the Effective Date (“**Scheme Period**”):

- (a) receipt of the approval-in-principle of Bursa Securities for the listing of and quotation for the CGB shares to be issued pursuant to the Scheme;
- (b) approval of the shareholders of CGB in a general meeting for the Scheme;
- (c) the submission to Bursa Securities of the final copy of the By-Laws;
- (d) receipt of the approval of the relevant regulatory authorities whose approval is necessary in respect of the Scheme; and
- (e) fulfilment or waiver (as the case may be) of all conditions attached any of the abovementioned approvals (if any),

provided always that on or before the expiry of the Scheme Period, the Board shall have the discretion whether or not upon recommendation of the ESS Committee, to extend in writing the tenure of the Scheme for another 5 years or such shorter period as it deems fit immediately from the expiry of the first 5 years, provided that the Scheme does not exceed a maximum period of 10 years in its entirety. The Scheme shall continue to be in force commencing on the date which the last of the approval and/or condition stipulated under this By-Laws has been obtained and/or complied with, or such longer period allowed by the relevant authorities. In the event the Scheme is extended, CGB shall make the necessary announcements to Bursa Securities prior to the proposed extension of the Scheme. For the avoidance of doubt, no further sanction, approval, consent or authorisation of the shareholders of the CGB in a general meeting is required for any such extension.

6.2 Within 5 Market Days from the Effective Date, CGB will through its adviser submit a confirmation to Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 6.1 stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of CGB in the general meeting approving the Scheme.

6.3 On expiry of the Scheme, any offer which have yet to be accepted by the Selected Person and any Awards which has yet to be released or vested (whether fully or partially) shall be deemed cancelled and be null and void.

6.4 Notwithstanding anything set out in these By-Laws and subject always to compliance with the Listing Requirement and any other relevant rules or requirement, the Scheme may be terminated by CGB at any time before its expiry without obtaining the approvals or consents from the Participants or CGB’s shareholders, provided that CGB makes an announcement immediately to the Bursa Securities. In the event of such termination:-

- (a) no further Offer will be made by the ESS Committee from the Termination Date;
- (b) all Offer which have yet to be accepted by Selected Persons will automatically lapse on the Termination Date and be null and void;
- (c) all outstanding ESS Options which have yet to be exercised by Participants shall be given a 30 days’ notice to exercise their ESS Options, failing which all outstanding ESS Options shall automatically lapse on the Termination Date; and
- (d) all Unvested Awards will cease to be capable of being vested in the relevant Participants.



**7. RETENTION PERIOD**

- 7.1 The CGB shares to be allotted and issued or transferred pursuant to the Scheme will not subject to any retention period or restriction on transfer, save as otherwise provided in the Constitution of CGB, the Listing Requirements or unless the ESS Committee stipulates otherwise in the Offer.
- 7.2 The expression “retention period” referred to in By-Law 7.1 means the period in which the CGB shares allotted and issued or transferred pursuant to this Scheme must not be sold, transferred, assigned or otherwise disposed of by the Participant.
- 7.3 A non-executive Director must not sell, transfer or assign any CGB shares obtained pursuant to an Offer made to him or CGB Shares obtained through the exercise of ESS Options within one year from the Offer Date, as per Listing Requirements or any prevailing applicable guidelines.

**8. OFFER OF AWARDS UNDER THE SCHEME**

- 8.1 Pursuant to the Scheme, the ESS Committee may, subject to compliance with all relevant regulatory authorities’ guidelines and/or directives, from time to time during the Scheme Period, make an Offer to a Selected Person to participate in the Scheme.
- 8.2 Subject to By-Law 8.3, an Offer will comprise an Award where a Participant is granted:
- (a) the right to have a number of Shares Grant vested in the Participant on the Vesting Date; and/or
  - (b) the right to receive an ESS Option vested in the Participant on the Vesting Date to exercise and receive new CGB Shares during the Option Period,
- provided that the conditions as set out in By-Law 9.2 and such other conditions as may be stipulated by the ESS Committee in the Offer are duly and fully satisfied.
- 8.3 Nothing in the By-Laws will prevent the ESS Committee from making:
- (a) an Offer to a Participant which consists of only an Award; or
  - (b) more than one Offer to any Participant provided always that the aggregate number of CGB shares in respect of the Awards granted (including CGB shares under ESS Options granted pursuant thereto) does not exceed the Maximum Allowable Allotment.
- 8.4 The Offer which has lapsed for any reason whatsoever may be made available for re-granting at the discretion of the ESS Committee under the Scheme.

**9. TERMS OF THE OFFER**

- 9.1 The ESS Committee may stipulate any terms and conditions it deems appropriate in an Offer and the terms and conditions of each Offer may differ.
- 9.2 The terms and conditions set out in the Offer relating to an Award may include the following, where applicable:
- (a) Value;
  - (b) Share Subscription Price;
  - (c) number of CGB Shares to be granted under an Award;
  - (d) Exercise Price;

- (e) number of CGB Shares entitled to be received upon the exercise of the ESS Option;
- (f) Option Period;
- (g) Offer Date;
- (h) Offer Period;
- (i) Vesting Date;
- (j) Performance Targets;
- (k) Performance Period;
- (l) Service Period,

and may include such/any other conditions as may be stipulated by the ESS Committee.

- 9.3 In the event of any error in the stating of any particulars referred to in By-Law 9.2 or otherwise in the Offer, the ESS Committee may, to the extent permitted by law, issue a supplemental Offer stating the correct particulars referred to in By-Law 9.2.

## **10. SHARE SUBSCRIPTION PRICE AND EXERCISE PRICE**

The Share Subscription Price and Exercise Price shall not be priced at a discount (as determined by the ESS Committee) of more than 10% of the 5-day volume weighted average market price of the CGB Shares immediately preceding the Offer Date (or such basis as the relevant authorities may permit).

## **11. ACCEPTANCE OF THE OFFER**

- 11.1 The Offer may only be accepted by the Selected Person during the Offer Period in such form and manner as may be prescribed in the Offer and must be accompanied by a non-refundable sum of RM1.00 only payable to CGB only in the event the Offer comprises ESS Options. The date of receipt by the ESS Committee of such form together with the money will be the date of acceptance of the Offer by the Selected Person, provided that the Scheme is not terminated pursuant to By-Law 6.3.
- 11.2 In the event that the Selected Person fails to accept the Offer in the manner prescribed within the Offer Period, the Offer will automatically lapse and will then be null and void provided that the ESS Committee will not be precluded from making a fresh Offer on such terms as the ESS Committee may so decide to the Selected Person subsequently.

## **12. SATISFACTION OF CONDITIONS**

- 12.1 The determination as to whether the stipulated conditions in the Offer have been fulfilled will be made by the ESS Committee, as the case may be.
- 12.2 Where the ESS Committee has made the determination that the stipulated conditions have been fulfilled pursuant to By-Law 12.1, the ESS Committee will notify the Participant of:
- (a) the number of Shares Grant vested/which will be vested in him on the Vesting Date; and

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

- (b) the number of CGB shares which the Participant is entitled to receive upon the exercise of the ESS Option granted to him;

as the case may be. Upon receipt of such notification, the Participant will notify the ESS Committee (in the form as may be prescribed by the ESS Committee from time to time) of his CDS Account number.

- 12.3 In the event that the conditions stipulated in an Offer in respect of any one or more Participant cannot be achieved/satisfied, the ESS Committee may in its discretion by notice in writing to such Participant(s), waive any conditions stipulated in the Offer.
- 12.4 No Participant will have any right to or interest in the CGB shares granted under the Scheme or right to exercise the ESS Options granted to him unless and until the ESS Committee has made a determination and notification under the provisions of By-Laws 12.1 and 12.2 and on and with effect from the Vesting Date or the date during the Option Period on which the ESS Options are duly exercised and the remittance for the full amount of the monies for the CGB shares in respect of which the ESS Options are exercised is paid pursuant to By-Law 13.
- 12.5 In relation to Shares Grant to be vested on the Vesting Date, the ESS Committee will, within 8 Market Days after the receipt of the Participant’s notice of his CDS Account number pursuant to By-Law 12.2 (or such other period as may be prescribed or allowed by Bursa Securities):
  - (a) issue, allot and/or transfer the relevant number of Shares Grant into the CDS Account so notified;
  - (b) despatch a notice of issue, allotment and/or transfer of such Shares Grant to the Participant; and
  - (c) make an application for the quotation of such relevant number of Shares Grant (where applicable).
- 12.6 In relation to CGB shares to be allotted and issued and/or transferred pursuant to an exercise of an ESS Option, the ESS Committee will, within 8 market days after the ESS Committee’s receipt of the notice of exercise of an ESS Option and remittance for the full amount of monies for the CGB Shares in respect of which the ESS Option is exercised pursuant to By-Law 13.3 (or such other period as may be prescribed or allowed by Bursa Securities):
  - (a) issue, allot and/or transfer the relevant number of CGB shares into the CDS Account so notified;
  - (b) despatch a notice of issue, allotment and/or transfer of such CGB shares issued pursuant to the ESS Option to the Participant; and
  - (c) make an application for the quotation of such relevant number of CGB shares issued pursuant to the ESS Option (where applicable).

For the avoidance of doubt, no physical share certificates will be issued for the new CGB Shares.

### **13. EXERCISE OF ESS OPTIONS UNDER THE AWARD**

- 13.1 An ESS Option may be exercised by a Participant within the Option Period in full or in part by notice in writing to CGB or ESS Committee in the prescribed form as may be amended from time to time during the Option Period, provided that where an ESS Option is exercised in part, such exercise must not be for less than 100 Shares and must be for multiples of 100 Shares other than in the case of the final exercise by the Participant under the ESS Option.

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

- 13.2 The partial exercise of an ESS Option will not preclude the Participant from exercising the ESS Option with respect to the balance of Shares comprised in the ESS Option during the Option Period.
- 13.3 Every notice of exercise of an ESS Option referred to in By-Law 13.1 must be in the form prescribed by the ESS Committee as amended from time to time and accompanied by a remittance for the full amount of the monies for the Shares in respect of which the ESS Option is exercised.
- 13.4 Subject to the discretion of the ESS Committee to waive any breach, failure by a Participant to comply with the procedure for an exercise of ESS Option as stipulated in the provisions of By-Law 13 will invalidate the purported exercise of such ESS Option by the Participant.
- 13.5 The ESS Committee may at any time and from time to time before and after the ESS Options are granted, limit the exercise of the ESS Options to a maximum number of new CGB Shares and/or such percentage of the total CGB Shares comprised in the ESS Options during such period within the Option Period and impose any other terms and/or conditions as the ESS Committee may, in its sole discretion deem appropriate including amending or varying any terms and conditions imposed earlier other than pertaining to the imposition of performance targets. Thereafter, the Participants are free to exercise the ESS Options without further performance targets being achieved.

**14. DISCIPLINARY ACTIONS**

- 14.1 In the event a Selected Person is subject to Disciplinary Actions after an Offer is made but before the acceptance of such Offer by such Selected Person, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the ESS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Actions made or brought against the Selected Person. Nothing in the By-Laws will prevent the ESS Committee (but the ESS Committee will not be obliged to do so) from making a fresh Offer to such Selected Person in the event that such Disciplinary Actions are not found against him or if such Disciplinary Actions are withdrawn provided that such Offer is made within the duration of the Scheme Period.
- 14.2 In the event a Participant is subject to Disciplinary Actions, the right of the Participant to have vested any Unvested Awards and/or to exercise any Unexercised Option will be suspended pending the outcome of the Disciplinary Actions unless otherwise decided by the ESS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Actions made or brought against the Participant. Nothing in the By-Laws will prevent the ESS Committee (but the ESS Committee will not be obliged to do so) from making a fresh Offer and/or reinstating the right of the Participant to have vested any Unvested Awards and/or to exercise any Unexercised Option in the event that such Disciplinary Actions are not found against him or if such Disciplinary Actions are withdrawn provided that such Offer and/or reinstatement is made within the duration of the Scheme Period. If the ESS Committee does not reinstate such right of the Participant prior to the expiry of the Scheme Period, the Offer and acceptance of the Offer will automatically lapse and will immediately become null and void.

For the avoidance of doubt, Disciplinary Actions initiated against a Participant after the exercise by such Participant of his/her ESS Option(s) in accordance with the terms of these By-Laws or after notice has been given by the ESS Committee of the right of the Participant to have the relevant number of CGB shares vested in him on the Vesting Date pursuant to By-Law 12.2(a) will not affect the right of the Participant to receive the CGB shares pursuant to such exercise of ESS Option or Shares Grant.

**15. TERMINATION OF OFFERS, UNVESTED AWARDS AND UNEXERCISED OPTION(S)**

15.1 Subject to By-Laws 15.2 and 15.3, any unaccepted Offers in respect of a Selected Person and/or any Unvested Awards and/or any Unexercised Option in respect of a Participant will forthwith lapse and/or be deemed to be cancelled and/or ceased to be capable of vesting in a Participant and/or ceased to be exercisable, as the case may be, without any liability to or right to claim against CGB and/or the ESS Committee upon the occurrence of any one or more of the following events:

- (a) service of a notice to resign by a Director and/or an employee or Participant, as the case may be;
- (b) service of a notice of termination on or termination contract of service or cessation of employment of a Director (including removal thereof) and/or an employee or Participant with the CGB Group by reason of misconduct, as the case may be;
- (c) bankruptcy of a Eligible Person or Participant, as the case may be; or
- (d) any other circumstances prescribed by the ESS Committee from time to time.

15.2 In the event of the termination or cessation of employment or contract of service of the Participant with the CGB Group in any of the following circumstances:

- (a) retirement on attaining the retirement age under the CGB Group’s retirement policy;
- (b) retirement before attaining the normal retirement age by reason of ill-health, injury, physical or mental disability;
- (c) redundancy or voluntary separation scheme;
- (d) transfer to any company outside the Group at the direction of CGB;
- (e) termination or non-renewal of contract of service; or
- (f) any other circumstances which are acceptable to the ESS Committee in its sole discretion;

the ESS Committee may in its discretion permit the vesting of Unvested Awards (or any part thereof) in the Participant and/or the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Vesting Date is not due or has not occurred;
- (b) the Option Period has not commenced; and/or
- (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied;

provided that unless the ESS Committee in its sole discretion so permits such vesting or exercise, as the case may be by notice in writing to the Participant, any unaccepted Offers in respect of an Award and/or any Unvested Awards and/or any Unexercised Option in respect of a Participant will forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting in a Participant and/or cease to be exercisable, as the case may be, without any liability to or right to claim against CGB and/or ESS Committee.

15.3 In the event of death of the Participant, By-Law 15.2 may at the discretion of the ESS Committee apply mutatis mutandis to the Participant’s legal or personal representatives as if the Participant’s legal or personal representatives were the Participant.

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

- 15.4 All ESS Options which the ESS Committee permits to be exercisable pursuant to By-Law 15.2 will automatically lapse and will become null and void to the extent unexercised by the date prescribed notwithstanding that the Option Period has not commenced or expired.
- 15.5 Any unaccepted Offers, Unvested Awards and/or Unexercised Options will forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting/exercisable, as the case may be, without any claim against CGB and/or ESS Committee upon the occurrence of one or more of the following events:
- (a) winding-up or liquidation of CGB; or
  - (b) termination or expiration of the Scheme pursuant to By-Law 6.

**16. TAKEOVER AND DISPOSAL OF ASSETS**

- 16.1 In the event of:
- (a) a take-over offer being made for CGB through a general offer to acquire the whole of the issued shares of CGB (or such part thereof not at the time owned by the person making the general offer (“**Offeror**”) or any persons acting in concert with the Offeror) and such takeover offer is announced by the Offeror as being unconditional or have become unconditional; or
  - (b) CGB dispose of all or substantially all of its assets and the disposal becomes unconditional,
- upon determination of the ESS Committee at its sole discretion, the Unvested Awards may be immediately vested in a Participant and/or any Unexercised Options may immediately be exercised by a Participant at any time subject to such terms and conditions (if any) as may be prescribed by the ESS Committee notwithstanding that:
- (i) the Vesting Date is not due or has not occurred; and/or
  - (ii) the Option Period has not commenced.

- 16.2 All ESS Options which the ESS Committee permits to be exercisable pursuant to By-Law 16.1 will automatically lapse and will become null and void to the extent unexercised by the date prescribed notwithstanding that the Option Period has not commenced or expired.

**17. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.**

- 17.1 In the event of the court sanctioning a compromise or arrangement between CGB and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of CGB or its amalgamation with any other company or companies the ESS Committee shall permit the vesting of Unvested Awards (or any part thereof) in the Participant and/or the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:
- (a) the Vesting Date is not due or has not occurred;
  - (b) the Option Period has not commenced; and/or
  - (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied.

- 17.2 All ESS Options which the ESS Committee permits to be exercisable pursuant to By-Law 17.1 will automatically lapse and will become null and void to the extent unexercised by the date prescribed notwithstanding that the Option Period has not commenced or expired.

**18. ALTERATION OF CAPITAL**

18.1 In the event of any alteration in the capital structure of CGB during the Scheme Period (whether by way of capitalisation of profit or reserves, rights issues, reduction, subdivision or consolidation of capital or otherwise but excluding any cancellation of capital which is lost or unrepresented by available assets), the Board shall have the discretion, whether adjustments to the:

- (a) Share Subscription Price and/or Exercise Price of the ESS Option; and/or
- (b) number of CGB Shares comprised in the Awards,

will be made in order to prevent dilution or enlargement provided that no adjustments will be made in the event of any alteration in the capital structure of CGB in respect of which rights/benefits arising therefrom are accrued to the Shares pursuant to By-Law 19.

18.2 If the ESS Committee at its absolute discretion decides that no material dilution or enlargement of the rights of the Participants would result from an alteration in the capital structure of CGB and no adjustments will be made, the ESS Committee will inform the Participants of this decision through an announcement to all the Directors and employees of the Group to be made in such manner deemed appropriate by the ESS Committee.

18.3 Subject to By-Law 18.5, any adjustment in the Share Subscription Price, Exercise Price and/or number of CGB Shares comprised in Offers will comply with the requirements of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities (including the Listing Requirements) and will, where appropriate and to the extent possible, endeavour to give each Participant the same proportion of the issued ordinary shares of CGB as that to which he was previously entitled.

18.4 Subject to the ESS Committee’s absolute discretion, the provisions of By-Laws 18.1, 18.2 and 18.3 will not apply where a change in the capital structure of CGB arises from:

- (a) the issue of CGB Shares or other securities convertible into CGB Shares or right to acquire or subscribe for CGB Shares in consideration or part consideration for any acquisition by the CGB Group;
- (b) a special issue, restricted issue or private placement of CGB Shares;
- (c) a share buy-back arrangement by CGB and the cancellation of all or a portion of the shares pursuant to the relevant provisions of the Companies Act;
- (d) Any issue of CGB Shares arising from a dividend reinvestment scheme which allows CGB’s shareholders an option to elect their cash dividend entitlements into new CGB Shares;
- (e) Any issue of CGB Shares as share dividend as long as it is not material capital distribution;
- (f) an issue of CGB Shares arising from the exercise of any conversion rights attached to securities convertible to CGB Shares or upon exercise of any other rights including warrants and convertible loan stocks (if any) issued by CGB;
- (g) a special issue of new CGB Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or any other government authority to comply with Government policy on Bumiputera capital participation; and
- (h) an issue of further Offers pursuant to the Scheme and the allotment and issuance of CGB Shares for the purpose of satisfying Shares Grant and ESS Options.

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

18.5 Subject to the ESS Committee’s absolute discretion, any adjustment pursuant to this By-Law 18 will be made in accordance with the formulae as set out below on the Market Day immediately following the books closure date for the event giving rise to the adjustment:

- (a) If and whenever a consolidation or subdivision or conversion of CGB Shares occurs, then the Share Subscription Price and/or Exercise Price will be adjusted and the additional number of Shares comprised in the Offer will be calculated in accordance with the following formula:

$$\text{New Share Subscription Price/New Exercise Price} = \left[ S \times \frac{U}{V} \right]$$

$$\text{Adjustment on number of Awards unexercised} = T \times \left[ \frac{V}{U} \right]$$

where

- S = existing Share Subscription Price and/or Exercise Price; and  
 T = existing number of Shares comprised in the Offer that remains unexercised.  
 U = aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of CGB immediately preceding such consolidation, subdivision or conversion; and  
 V = aggregate number of Shares in the share capital of CGB after such consolidation, subdivision or conversion.

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

- (b) If and whenever CGB makes any issue of CGB Shares to its ordinary shareholders of CGB credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Share Subscription Price and/or Exercise Price will be adjusted by multiplying it by the following fraction:

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

and the additional number of Shares comprised in the Offer will be calculated as follows:

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

where

- A = the aggregate number of issued and fully paid-up CGB Shares immediately before such bonus issue or capitalisation issue;



---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

B = the aggregate number of CGB Shares to be issued pursuant to any allotment to ordinary shareholders of CGB credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and

T = as T above.

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

(c) If and whenever CGB makes:

- (i) a Capital Distribution (as defined below) to its ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for CGB 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 CGB Shares or securities with rights to acquire or subscribe for CGB Shares,

then and in respect of each such case, the Share Subscription Price and/or Exercise Price will be adjusted by multiplying it by the following fraction:

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

and in respect of the case referred to in By-Laws 18.5(c)(ii) and (c)(iii) hereof, the additional number of Shares comprised in the Offer will be calculated as follows:

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

where

C = the Current Market Price (as defined in By-Law 18.5(h) below) of each CGB Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (aa) in the case of an offer or invitation to acquire or subscribe for CGB Shares by way of rights under By-Law 18.5(c)(ii) above or for securities convertible into CGB Shares or securities with rights to acquire or subscribe for CGB Shares under By-Law 18.5(c)(iii) above, the value of rights attributable to 1 CGB Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 18.5(c) hereof, the fair market value, as determined by an auditor of CGB, of that portion of the Capital Distribution attributable to 1 CGB Share.

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

For the purpose of definition (aa) of D above, the “value of the rights attributable to 1 CGB Share” will be calculated in accordance with the formula:

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

where

- C = as C above;
- E = the subscription price for 1 additional CGB Share under the terms of such offer or invitation or subscription price for 1 additional CGB Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for 1 CGB Share under the offer or invitation;
- F = the number of CGB Shares necessary for the CGB shareholder to hold in order to be offered or invited to acquire or subscribe for 1 additional CGB Share or security convertible into rights to acquire or subscribe for 1 additional CGB Share; and
- D\* = the value of rights attributable to 1 CGB Share (as defined below); and

For the purpose of definition D\* above, the “value of rights attributable to 1 CGB Share” will be calculated in accordance with the formula:

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

where

- C = as C above;
- E\* = the subscription price for 1 additional CGB Share under the terms of such offer or invitation to acquire or subscribe for CGB Shares; and
- F\* = the number of CGB Shares necessary for a CGB shareholder to hold in order to be offered or invited to acquire or subscribe for 1 additional CGB Share.

For the purpose of By-Law 18.5(c) hereof, “Capital Distribution” will (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of CGB Shares (not falling under By-Law 18.5(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the accounts of any period will (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders of CGB as shown in the audited consolidated profit and loss accounts of CGB.

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

- (d) If and whenever CGB makes an allotment to its ordinary shareholders as provided in By-Law 18.5 (b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.5(c)(ii) or (c)(iii) above and the record date for the purpose of the allotment is also book closure date for the purpose of the offer or invitation, the Share Subscription Price and/or Exercise Price will be adjusted by multiplying it by the following fraction:

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

and where CGB makes an allotment to its ordinary shareholders as provided in By-Law 18.5(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.5(c)(ii) above and the record date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the additional number of Scheme comprised in the Offer will be calculated as follows:

Additional number of Option Shares (as defined herein) comprised in ESS Options

$$= T \times \left[ \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Additional number of Shares Grant to be vested

$$= T \times \left[ \frac{(G + H + B) \times C}{(G \times C) + (H \times I)} \right] - T$$

where

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

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

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

- (e) If and whenever CGB makes any offer or invitation to its ordinary shareholders to acquire or subscribe for CGB Shares as provided in By-Law 18.5(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for CGB Shares as provided in By-Law 18.5(c)(iii) above, the Share Subscription Price and/or Exercise Price will 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 additional number of Shares comprised in the Offer will be calculated as follows:

Additional number of Option Shares (as defined herein) comprised in ESS Options

$$= T \times \left[ \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Additional number of Shares Grant to be vested

$$= T \times \left[ \frac{(G + H^* + J) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} \right] - T$$

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 CGB Shares to be issued to its ordinary shareholders of CGB upon conversion of such securities or exercise of such rights to subscribe for CGB Shares by the ordinary shareholders of CGB;

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

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (f) If and whenever CGB makes an allotment to its ordinary shareholders as provided in By-Law 18.5(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for CGB Shares as provided in By-Law 18.5(c)(ii) above, together with rights to acquire or subscribe for securities convertible into CGB Shares or with rights to acquire or subscribe for Shares as provided in By-Law 18.5(c)(iii) above, and the record date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the Share Subscription Price and/or Exercise Price will 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 additional number of Shares comprised in the Offer will be calculated as follows:

Additional number of Option Shares (as defined herein) comprised in ESS Options

$$= T \times \left[ \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Additional number of Shares Grant to be vested

$$= T \times \left[ \frac{(G + H^* + J + B) \times C}{(G \times C) + (H^* \times I^*) + (J \times K)} \right] - T$$

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 following the book closure date for the above transactions.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of CGB and requiring an adjustment under By-Laws 18.5(c)(ii), (c)(iii), (d), (e) or (f) above), CGB will issue either any CGB Shares or any securities convertible into CGB Shares or any rights to acquire or subscribe for CGB Shares, and in any such case, the Total Effective Consideration per CGB Share (as defined below) is less than 90% of the Average Price for 1 CGB Share (as defined below) or, as the case may be, the price at which the CGB Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Share Subscription Price and/or Exercise Price will be adjusted by multiplying it by the following fraction:

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

where

- L = the number of CGB Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

- M = the number of CGB Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of CGB Shares so issued or, in the case of securities convertible into CGB Shares or rights to acquire or subscribe for CGB Shares, the maximum number (assuming no adjustment of such rights) of CGB Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 18.5(g), the “Total Effective Consideration” will be determined by the Board with the concurrence of an auditor or relevant expert in the following manner:

- (i) in the case of the issue of CGB Shares, the aggregate consideration receivable by CGB on payment in full for such CGB Shares; or
- (ii) in the case of the issue by CGB of securities wholly or partly convertible into CGB Shares, the aggregate consideration receivable by CGB on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by CGB upon full conversion of such securities (if any); or
- (iii) in the case of the issue by CGB of securities with rights to acquire or subscribe for CGB Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by CGB upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and “Total Effective Consideration per CGB Share” will be the Total Effective Consideration divided by the number of CGB Shares issued as aforesaid or, in the case of securities convertible into CGB Shares or securities with rights to acquire or subscribe for CGB Shares, by the maximum number of CGB Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 18.5(g), the Average Price of a CGB Share will be the average price of 1 CGB Share as derived from the last dealt prices for one or more board lots of CGB Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such CGB Shares is determined.

Each such adjustment will be calculated (if appropriate retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which CGB determines the offering price of such CGB Shares. Each such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

- (h) For the purpose of By-Law 18.5(c), (d), (e) and (f), the “Current Market Price” in relation to 1 CGB Share for any relevant day will be the volume weighted average market price for the 5 consecutive Market Days before such date.

- 18.6 If an event occurs that is not set out in By-Law 18.5 or if the application of any of the formulae to an event results in a manifest error or in the opinion of ESS Committee is not appropriate, the ESS Committee may at its absolute discretion agree to an adjustment subject to the provision of By-Law 18.3 provided that the Participants will be notified of the adjustment through an announcement to all the Directors and employees of the Group to be made in such manner deemed appropriate by the ESS Committee.

18.7 In the event that a fraction of a CGB Share arises from the adjustments pursuant to this By-Law 18, the number of CGB Shares will automatically be rounded down to the nearest whole number.

18.8 The provisions of By-Law 18 will also apply to a situation where the Offer Period has not lapsed and the Offer has not been accepted by the Participant or withdrawn by the ESS Committee.

## **19. RIGHTS ATTACHED TO SHARES**

19.1 Awards satisfied via Shares Grant:

(a) The CGB Shares to be allotted and issued pursuant to the Shares Grant shall upon allotment and issue, carry the same rights as the existing CGB Shares, save and except that the new CGB Shares will not be entitled for dividends, rights, allotments and/or other distribution declared, made or paid to shareholders, the entitlement date of which is prior to the allotment of the new CGB Shares so issued.

(b) In the event the Shares Grant are satisfied via existing CGB Shares, the Participant will not be entitled to any entitlement attached to such CGB Shares in respect of which the entitlement date is prior to the date on which the CGB Shares are credited into the CDS Account of the Participant.

19.2 Awards satisfied via grant of ESS Options:

(a) The new CGB Shares to be allotted upon exercise of the ESS Options pursuant to the Awards shall upon allotment and issue, carry the same rights as the existing CGB Shares, save and except that the new CGB Shares so issued will not be entitled for any dividends, rights, allotments and/or other distribution declared, made or paid to shareholders, the entitlement date of which is prior to the allotment of the new CGB Shares so issued.

(b) In the event the ESS Options exercised are satisfied via existing CGB Shares, the Participant will not be entitled to any entitlement attached to such CGB Shares in respect of which the entitlement date is prior to the date on which the CGB Shares are credited into the CDS Account of the Participant.

19.3 The CGB shares issued, allotted or transferred pursuant to the Scheme will subject to all the provisions of the Constitution of CGB in relation to their transfer, transmission or otherwise.

## **20. ADMINISTRATION**

20.1 The Scheme will be implemented and administered by the ESS Committee, the members of which shall be duly appointed and authorised by the Board. The ESS Committee will have sole and absolute discretion in administering the Scheme subject to the terms of reference which the Board may establish to regulate and govern the ESS Committee’s functions and responsibilities under the By-Laws. The ESS Committee shall comprise persons from the Board and/or Senior Management of the Group and shall ensure that the respective Directors and/or Senior Management do not participate in the deliberation or discussion of their own allocation and/or allocation to persons connected to them. A Selected Person who is a member of the ESS Committee shall abstain from deliberations in respect of any Awards granted or to be granted to that Selected Person and/or persons connected to them.

---

**APPENDIX II – DRAFT BY-LAWS FOR CGB EMPLOYEES’ SHARE SCHEME (CONT’D)**

---

- 20.2 The ESS Committee will administer the Scheme in such manner as it in its discretion deems fit. For the purpose of administering the Scheme, the ESS Committee may do all such acts and things and 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 administration of the Scheme, as the ESS Committee may in its discretion deem fit necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme.
- 20.3 The Board will have power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the ESS Committee and appoint replacement members to the ESS Committee; and
  - (b) assume and/or exercise or execute any of the powers and authorities conferred upon the ESS Committee pursuant to these By-Laws.
- 20.4 The ESS Committee has the absolute discretion in determining whether the Awards will be granted in a single tranche or on a staggered basis over the duration of the Scheme.

**21. IMPLEMENTATION OF THE SCHEME**

- 21.1 In implementing the Scheme, the ESS Committee may in its absolute discretion and subject to compliance with the provisions of the Companies Act and the Listing Requirements, decide that the Awards be satisfied either by way of:
- (a) issuance of new CGB Shares;
  - (b) acquisition of existing CGB Shares from the open market;
  - (c) transferring CGB Shares held in treasury;
  - (d) payment of cash; or
  - (e) a combination of any of the above.
- 21.2 In considering the settlement of the Awards, the ESS Committee will take into consideration, amongst others, factors such as the prevailing market price of CGB Shares, funding considerations and dilutive effects on CGB’s capital base. For the avoidance of doubt, should the ESS Committee decide to satisfy the Awards via payment by cash, the amount to be paid to the Participant for each Share Grant or ESS Option exercised will be the excess of the 5-day volume weighted average market price of CGB Shares up to the date of Shares Grant or exercise of the ESS Options over the Exercise Price, if any.

**22. QUOTATION**

In cases where the Shares Grant and/or ESS Options are satisfied by the issue of new CGB Shares, the new CGB Shares to be allotted will not be listed or quoted on the Main Market of Bursa Securities until an application is made to Bursa Securities for such listing and quotation of the new CGB Shares.



**23. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE SCHEME**

- 23.1 Subject to the By-Law 23.2 and compliance with the Listing Requirements and the approvals of any other authorities (if required), the ESS Committee may at any time recommend to the Board any additions, amendments and/or modifications to and/or deletions of these By-Laws as it shall in its discretion think fit and shall have the power by resolution to add, amend, modify and/or delete all or any part 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 Participant without the prior consent or sanction of that Participant (as the case may be);
  - (b) prejudice any rights of the shareholders of the CGB without the prior approval of the CGB’s shareholders in a general meeting; or
  - (c) 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 Listing Requirements, without the prior approval of the CGB’s shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.
- 23.2 Any amendments/modifications to the By-laws shall not contravene any of the provisions stipulated under the Listing Requirements and/or any other relevant regulatory authority in relation to share issuance schemes and/or share grant schemes.
- 23.4 The Participants shall be given written notices in the term prescribed by the ESS Committee from time to time if any conditions, amendments to and/or modifications of these By-laws within five (5) Market Days of any of the foregoing taking effect.
- 23.5 The approval of the shareholders of CGB in general meeting shall not be required in respect of additions, amendment and/or modification to and/or deletion of these By-Laws save and except if such addition, amendment, modifications and/or deletion would provide an advantage to any Participant or group of Participants or all the Participants unless otherwise permitted under the provisions of the Listing Requirements.
- 23.6 Where an amendment and/or modification is made to these By-Laws, CGB must submit to Bursa Securities, the amendment and/or modification to these By-Laws and a confirmation letter that the amendment and/or modification complies with the provisions of the guidelines on employee share scheme stipulated under the Listing Requirements no later than 5 Market Days from the effective date of the said amendment and/or modification.

**24. NON-TRANSFERABILITY**

The rights of a Participant to the vesting of Shares Grant and or to ESS Options are personal to him and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever unless By-Laws 15.3, 16.1 and 17.1 (where applicable) apply. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the ESOS Option and/or SGP Grant (as the case may be).

**25. DISPUTES**

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

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

This Scheme does not form part of or will not in any way be construed as forming part of the terms and conditions of employment or contract of service of any Director or employee. This Scheme will not confer or be construed to confer on any Director and/or employee any special rights or privileges over the Director and/or employees’ terms and conditions of employment or contract of service in the CGB Group or any rights in addition to compensation or damages that the Director and/or employee may be normally entitled to arising from the cessation of such employment or contract of service.

**27. COMPENSATION**

- 27.1 No Directors, employees or Participants who cease to hold office in or employment or under a contract of service with the CGB Group will be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme.
- 27.2 CGB, the Board and the ESS Committee will not be liable for any compensation, loss or damages of any claim, action or proceeding by any Director, employee, Participant or legal or personal representatives whatsoever and howsoever arising from the suspension of rights to the vesting of Shares Grant and/or his rights to exercise his ESS Options, ceasing to be valid pursuant to the provisions of these By-Laws.

**28. DIVESTMENT FROM THE GROUP**

- 28.1 If a Participant who held office or was in the employment or under a contract of service with a corporation of the CGB Group which has ceased to be a Subsidiary as a result of a restructuring or divestment exercise or otherwise (other than a takeover or reconstruction as provided under these By-Laws), the ESS Committee may in its discretion permit the vesting of Unvested Awards (or any part thereof) in the Participant and/or the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:
- (a) the Vesting Date is not due or has not occurred;
  - (b) the Option Period has not commenced; and/or
  - (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied.
- 28.2 All ESS Options which may be allowed by the ESS Committee to be exercisable under By-Law 28.1(b), to the extent unexercised by the date prescribed by the ESS Committee, will automatically lapse and will become null and void.

**29. TRANSFER TO OTHER COMPANIES NOT WITHIN THE GROUP**

- 29.1 Notwithstanding By-Law 15.1, in the event a Participant who was employed in a corporation within the Group and is subsequently transferred from such corporation to an associate company of CGB, the Participant will be entitled to:
- (a) continue to have a right in any Unvested Awards; and
  - (b) exercise any Unexercised Options,
- upon the same terms and conditions as may be set out in the Offer as if the Participant is still in employment or under a contract of service with the Group for the purposes of the Scheme Period.

- 29.2 In the event that a person who was in the employment or under a contract service of a company which subsequently becomes a Subsidiary as a result of a restructuring or acquisition or otherwise involving CGB and/or any company within the Group, such person (“**Affected Participant**”) will, if the Affected Participant satisfies all the relevant conditions of these By-Laws, be eligible to be considered for an Offer for the remaining Scheme Period at the discretion of the ESS Committee.

### **30. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS**

All Participants will be entitled to inspect a copy of the latest audited financial statements of CGB at the registered office of CGB from Monday to Friday (excluding public holidays) during normal office hours.

### **31. FEES, COSTS, EXPENSES AND TAXES**

- 31.1 All fees, costs and expenses incurred in relation to the Scheme including but not limited to the costs and expenses (including stamp duty, if any) relating to the allotment and issue, and/or transfer of CGB shares pursuant to the Shares Grant or exercise of the ESS Options (excluding Exercise Price of such ESS Option), shall be borne by CGB.
- 31.2 For the avoidance of doubt, each Participant will be solely responsible for any taxes (including income tax) which may be levied on the Participant arising out of or as a result of the exercise of any ESS Options or vesting of Shares Grant and any holding or dealing of such CGB shares.

### **32. CONSTITUTION**

Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between any provision of these By-Laws and the Constitution of CGB and/or the Listing Requirements, the provisions of the Constitution of CGB and/or the Listing Requirements will prevail to the extent of such conflict.

### **33. ERRORS AND OMISSIONS**

If in consequence of an error or omission, the ESS Committee discovers/determines that:

- (a) a Director and/or an employee who was selected by the ESS Committee as a Participant, has not been given the opportunity to participate in the Scheme on any occasion; or
- (b) the number of the CGB Shares allotted and issued and/or transferred to any Participant (including those allotted and issued and/or transferred pursuant to an exercise of ESS Option(s)) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the ESS Committee may do all such acts and things to rectify such error or omission and ensure that the Participant is given the opportunity to participate in the Scheme and/or the aggregate number of CGB Shares to which the Participant is correctly entitled to is credited into his CDS Account.

**34. NOTICE**

- 34.1 Any notice under the Scheme required to be given to or served upon the ESS Committee by a Director, employee, Participant or any correspondence to be made between a Director, employee, Participant to the ESS Committee will be given or made in writing and sent to the registered office of CGB at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia or any other business address which may be notified (from time to time) in writing by the ESS Committee may have stipulated for a particular purpose of delivery by hand (with acknowledgement of receipt) or registered post.
- 34.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon a Director, employee, Participant and correspondence to be made with a Director, employee or Participant will be deemed to be sufficiently given:
- (a) if it is sent by ordinary post by the CGB to the Eligible Person or the 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 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 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 CGB.

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

- 34.3 Notwithstanding By-Law 34.2, where any notice is required to be given by CGB or the ESS Committee under these By-Laws in relation to matters which may affect all the Directors, employees or Participants, as the case may be, CGB or ESS Committee may give notice through an announcement to all employees of the 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 34.2 will be deemed to be sufficiently given, served or made to all affected Directors, employees, or Participants, as the case may be.

**35. SEVERABILITY**

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

**36. DELAY OF PERFORMANCE**

The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond the control of CGB or the ESS Committee.

**37. DISCLAIMER OF LIABILITY**

37.1 Notwithstanding any provisions contained herein and subject to the Companies Act, the ESS Committee and CGB, the Board (including Directors of CGB who have resigned but were on the Board during the Scheme Period) will not under any circumstances be liable for any cost, loss, expense and/or damage whatsoever incurred, arising and/or suffered by any Participant howsoever arising in the event of:-

- (a) any delay on the part of CGB and ESS Committee in allotting and issuing new CGB Shares and/or applying for or procuring the listing of the new CGB Shares on Bursa Securities and/or transferring the Shares Grant in accordance with these By-Laws for any reason whatsoever.
- (b) any delay in crediting the new CGB Shares into the CDS Account as stated in the notice of exercise given by the Participant; and
- (c) any other matter or dealing which is outside the control of the Company.

37.2 The Participant will at all times indemnify and keep CGB indemnified against all losses, damages, claims, proceedings, demands, actions, penalties and expenses whatsoever that may be made or brought against and/or suffered by CGB at any time as a result of and/or in connection with or arising from any failure on the part of the Participant to perform and/or observe the terms and conditions and stipulations of the By-Laws as from and including the Effective Date or for any act or default under or for any breach of any provision of the By-Laws by the Participant or that may be incurred suffered or sustained by CGB as a result thereof and the Participant will promptly upon a demand being made by CGB pay to CGB all amounts so paid incurred suffered or sustained by CGB.

**38. DECISION OF THE ESS COMMITTEE**

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

**39. GOVERNING LAW**

The Scheme is governed by and construed in accordance with the laws of Malaysia. The Participant, by accepting the Offer in accordance with the By-Laws and terms of the Scheme and the Constitution of CGB, irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties arising out of these By-Laws.

**1. DIRECTORS' RESPONSIBILITY**

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

**2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS**

AmInvestment Bank, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn their written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmInvestment Bank has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the principal adviser in respect of the Proposals.

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of CGB Group.

As at LPD, the AmBank Group has extended credit facilities amounting to approximately RM19.9 million to the CGB Group.

AmInvestment Bank is of the view that its role as the Principal Adviser for the Proposals are not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:-

- (i) AmInvestment Bank's role in the Proposals is undertaken in the ordinary course of business; and
- (ii) AmInvestment Bank undertakes each of its roles on an arm's length basis and its conduct is regulated by Bank Negara Malaysia and the Securities Commission Malaysia and governed under, inter alia, the Financial Services Act 2013, the Capital Markets and Services Act 2007, and AmBank Group's Chinese Wall policy and internal controls and checks.

Premised on the above, AmInvestment Bank confirms that there is no conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in respect of the Proposals.

**3. MATERIAL LITIGATION**

At al LPD, CGB Group is not engaged in any other material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and the Board is not aware of any proceeding which is pending or threatened against CGB Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****4.1 Material Commitments**

Save as disclosed below, as at LPD, CGB does not have any material commitments contracted or known to be contracted by CGB Group, which upon becoming enforceable may have a material impact on the profits or NA of the CGB Group:-

	<b>Amount RM'000</b>
Approved and contracted for	39,939

**4.2 Contingent Liabilities**

As at LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which upon becoming enforceable may have a material impact on the financial results or position of the Group.

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of CGB at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) Constitution of the Company;
- (ii) Audited consolidated financial statements of CGB for the past two (2) financial years up to 31 January 2020;
- (iii) The unaudited consolidated financial statements of CGB for the financial year ended 31 January 2021;
- (iv) Draft Deed Poll;
- (v) Draft By-Laws; and
- (vi) The letter of consent referred to in Section 2 of this Appendix III.



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

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Comfort Gloves Berhad (“CGB” or the “Company”) will be held at Hotel Grand Baron, No. 8, PT 7861, Jalan Bukit Larut, 34000 Taiping, Perak on Tuesday, 18 May 2021 at 11.30 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:-

**ORDINARY RESOLUTION 1**

**PROPOSED BONUS ISSUE OF UP TO 174,132,912 FREE WARRANTS IN CGB (“WARRANT(S)”) ON THE BASIS OF 3 WARRANTS FOR EVERY 10 EXISTING ORDINARY SHARES IN CGB (“CGB SHARE(S)”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE OF WARRANTS”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties (where applicable) being obtained for the Proposed Bonus Issue of Warrants, and to the extent permitted by law and the Constitution of the Company, approval be and is hereby given to the Board to issue up to 174,132,912 Warrants on the basis of 3 Warrants for every 10 existing CGB Shares to the shareholders of the Company who are registered as a member and whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined by the Board and announced by the Company at a later date in accordance with the provisions of the deed poll constituting the Warrants to be executed by the Company (“**Deed Poll**”);

**THAT** the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendments to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as consequences of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll, and to do all acts, deeds and things as they may deem fit and/or expedient in order to implement, finalise and give effect to the Deed Poll;

**THAT** the Board be and is hereby authorized to issue and allot such appropriate number of Warrants in accordance with the provisions of the Deed Poll and when required, to adjust the exercise price and/or the number of the Warrants to be issued (including, without limitation, any additional Warrant as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provision of the Deed Poll;

**THAT** the new CGB Shares shall, upon allotment and issuance, carry the same rights in all respects with the existing CGB Shares, save and except that the new CGB Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid to the shareholders, the entitlement date of which precedes the date of allotment and issuance of the new CGB Shares;

**THAT** the fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, shall be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit, expedient and in the best interest of the Company.



**THAT** the proceeds arising from the exercise of the Warrants, if any, be utilised for the purposes set out in the circular to the shareholders of the Company dated 3 May 2021 (“**Circular**”) in relation to the Proposed Bonus Issue of Warrants, and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required;

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

## **ORDINARY RESOLUTION 2**

### **PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF AN EMPLOYEES’ SHARE SCHEME (“ESS”) OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF CGB (EXCLUDING TREASURY SHARES, IF ANY) AT ANY ONE TIME DURING THE DURATION OF THE ESS FOR ELIGIBLE EMPLOYEES AND DIRECTORS OF CGB (EXCLUDING SUBSIDIARY COMPANIES WHICH ARE DORMANT) (“PROPOSED ESS”)**

“**THAT**, subject to the approvals being obtained from all relevant authorities and/or parties in relation to the Proposed ESS and to the extent permitted by law and the Constitution of the Company (“**Constitution**”), the Board of Directors of the Company be and is hereby authorised to undertake the following:-

- (i) to establish an ESS for the benefit of eligible Directors (including non-executive Directors but shall not include alternate and/or substitute Directors) and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) (“**CGB Group**”) who meet the criteria of eligibility for participation in the Proposed ESS and to implement and administer the same in accordance with the by-laws of the Proposed ESS (“**By-Laws**”) which is set out in Appendix II of the Circular;
- (ii) to issue and allot and/or procure the transfer of such number of new or existing CGB Shares (as adjusted or modified from time to time pursuant to the By-Laws) from time to time as may be required for the purpose of or in connection with the Proposed ESS, provided that the total number of CGB Shares be allotted and issued and/or transferred pursuant to granting of CGB Shares (“**Shares Grant**”) and/or options to subscribe for and/or acquire CGB Shares (“**ESS Options**”) (collectively, the “**Awards**”) to eligible Director(s) (including non-executive Directors but shall not include alternate and/or substitute Directors) and eligible employees of CGB Group in relation to the Proposed ESS shall not exceed 15% in aggregate of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESS and such new CGB Shares shall, upon allotment and issuance, carry the same rights as the existing CGB Shares, save and except that the new CGB Shares would not be entitled to dividend, rights, allotments and/or other forms of distribution which may be declared, made or paid to shareholders of CGB, the entitlement date of which is prior to the date of allotment of the new CGB Shares to be issued pursuant to the exercise of the ESS Options;
- (iii) to set up a committee to implement and administer the Proposed ESS (“**ESS Committee**”);
- (iv) to make the necessary application to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for permission to deal in and for the listing of and quotation for the new CGB Shares (as adjusted or modified from time to time pursuant to the By-Laws) that may hereafter from time to time be allotted and issued pursuant to the Proposed ESS; and

- (v) to do all such acts and things, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules and regulations, or to impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESS;

**AND THAT**, the By-Laws which is in compliance with the Main Market Listing Requirements of Bursa Securities a draft of which is set out in Appendix II of the Circular, be and is hereby approved and adopted and the Directors of the Company be and are hereby authorised with full power to modify and/or amend the By-Laws from time to time as may be required or deemed necessary in accordance with the provisions of the By-Laws relating to amendments and/or modifications and to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient for the Proposed ESS to be in effect.”

### **ORDINARY RESOLUTION 3**

#### **PROPOSED ALLOCATION OF AWARDS TO MR LAU JOO YONG**

**THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all the relevant authorities being obtained, 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 Mr Lau Joo Yong, being the Group Chief Executive Officer of CGB, Awards of not more than 10% of the total Awards to be issued under the Proposed ESS, subject always to the terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws.”

### **ORDINARY RESOLUTION 4**

#### **PROPOSED ALLOCATION OF AWARDS TO MR LAU JOO PERN**

**THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all the relevant authorities being obtained, 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 Mr Lau Joo Pern, being the Executive Director of CGB, Awards of not more than 10% of the total Awards to be issued under the Proposed ESS, subject always to the terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws.”

By Order of the Board

**CHAN EOI LENG**  
**(SSM PC NO. 202008003055)**  
**(MAICSA 7030866)**  
Company Secretary

Perak  
3 May 2021

**Notes:**

1. *A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy must be of full age. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.*

*All duly completed forms of proxy must be deposited at the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*

5. *In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).*
6. *Only a depositor whose name appears on the Record of Depositors as at 10 May 2021 shall be entitled to participate in the said meeting or appoint proxies to attend and/or vote on his/her behalf.*

**PROXY FORM**

CDS Account No.

No. of shares held

Contact No.

I/We \_\_\_\_\_  
 [Full name in Block, NRIC/Passport/Company No.]  
 of \_\_\_\_\_

being member(s) of COMFORT GLOVES BERHAD (193701000006 (852-D)), hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing ^him/her, the Chairperson of the Meeting, as ^my/our proxy/proxies to participate and vote for ^me/us and on ^my/our behalf at the Extraordinary General Meeting of the Company to be held at Hotel Grand Baron, No. 8, PT 7861, Jalan Bukit Larut, 34000 Taiping, Perak on Tuesday, 18 May 2021 at 11.30 a.m. and at any adjournment thereof, and to vote as indicated below:

<b>RESOLUTIONS</b>	<b>FOR</b>	<b>AGAINST</b>
<b>Ordinary Resolution 1</b> Proposed Bonus Issue of Warrants		
<b>Ordinary Resolution 2</b> Proposed ESS		
<b>Ordinary Resolution 3</b> Proposed Allocation of Awards to Mr Lau Joo Yong		
<b>Ordinary Resolution 4</b> Proposed Allocation of Awards to Mr Lau Joo Pern		

Please indicate with an "X" in the space provided whether you wish your vote to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

\_\_\_\_\_  
 Signature\*  
 Member

^Delete whichever is inapplicable

\* Manner of execution:

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

**Notes:**

1. *A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy must be of full age. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.*  
*All duly completed forms of proxy must be deposited at the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*
5. *In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).*
6. *Only a depositor whose name appears on the Record of Depositors as at 10 May 2021 shall be entitled to participate in the said meeting or appoint proxies to attend and/or vote on his/her behalf.*

Fold this flap for sealing

---

Affix  
stamp

The Share Registrar  
**Comfort Gloves Berhad** (Registration No. 193701000006 (852-D))  
Boardroom Share Registrars Sdn. Bhd.  
11<sup>th</sup> Floor, Menara Symphony  
No 5 Jalan Professor Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor  
Malaysia

Then fold here

---

First fold here

---