

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

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

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**CWG HOLDINGS BERHAD**  
Registration No. 201601035444 (1206385-W)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO**

- I. **PROPOSED PRIVATE PLACEMENT INVOLVING THE ISSUANCE OF UP TO 37,887,030 NEW ORDINARY SHARES IN CWG HOLDINGS BERHAD ("CWG" OR THE "COMPANY") ("CWG SHARE(S)" OR "SHARE(S)") REPRESENTING APPROXIMATELY 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF CWG TO THE FOLLOWING PARTIES:-**
    - A. **25,258,020 SHARES TO DATUK HONG CHOON HAU AT AN ISSUE PRICE OF RM0.40 PER SHARE, THROUGH THE EXECUTION OF A SUBSCRIPTION AGREEMENT; AND**
    - B. **UP TO 12,629,010 SHARES TO THIRD PARTY INVESTOR(S), WHO QUALIFY UNDER SCHEDULES 6 AND 7 OF THE CAPITAL MARKETS AND SERVICES ACT 2007, TO BE IDENTIFIED LATER**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSED PRIVATE PLACEMENT");**
  - II. **PROPOSED BONUS ISSUE OF UP TO 82,088,566 BONUS WARRANTS IN CWG ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING CWG SHARES HELD ON AN ENTITLEMENT DATE, WHICH WILL BE DETERMINED LATER ("PROPOSED BONUS ISSUE OF WARRANTS");**
  - III. **PROPOSED ESTABLISHMENT OF THE COMPANY'S EMPLOYEE SHARE OPTIONS SCHEME ("ESOS") OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF CWG (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME OVER THE DURATION OF THE ESOS, TO THE ELIGIBLE EMPLOYEES AND EXECUTIVE DIRECTORS OF CWG ("PROPOSED ESOS"); AND**
  - IV. **PROPOSED ALLOCATION OF ESOS OPTIONS TO THE ELIGIBLE EXECUTIVE DIRECTORS OF THE COMPANY ("PROPOSED ALLOCATION")**
- (COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser and Placement Agent*



**UOB KAY HIAN SECURITIES (M) SDN BHD**

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

The Notice of the Extraordinary General Meeting ("**EGM**") of CWG, which is scheduled to be held at The Light Hotel, Lebuh Tenggiri 2, Bandar Seberang Jaya, 13700 Seberang Jaya, Penang on Tuesday, 25 January 2022, at 11.00 am, and the Form of Proxy are enclosed herein.

A member who is entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy to attend, participate, speak and vote on his/ her behalf. In such event, the Form of Proxy must be lodged at the registered office of the Company at 6428, Lorong Mak Mandin Tiga, Mak Mandin Industrial Estate, 13400 Butterworth, Penang not less than 48 hours before the time appointed for holding the EGM, or at any adjournment thereof, as indicated below. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 23 January 2022, at 11.00 am  
Date and time of the EGM : Tuesday, 25 January 2022, at 11.00 am

This Circular is dated 10 January 2022

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## DEFINITIONS

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

"Act"	:	The Companies Act 2016
"Board"	:	The Board of Directors of CWG
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"Circular"	:	This circular dated 10 January 2022 in relation to the Proposals
"COVID-19"	:	Coronavirus disease 2019
"CWG" or the "Company"	:	CWG Holdings Berhad (201601035444 (1206385-W))
"CWG Group" or the "Group"	:	CWG and its subsidiary companies, collectively
"CWG Share(s)" or "Share(s)"	:	Ordinary shares in CWG
"Datuk Hong" or the "Placee"	:	Datuk Hong Choon Hau
"Deed Poll"	:	The deed poll governing the Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants
"Director(s)"	:	The director(s) of CWG and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
"EGM"	:	Extraordinary General Meeting of the Company
"Eligible Person(s)"	:	Executive Directors and/ or employees of CWG and its subsidiaries (excluding dormant subsidiaries), who meet the criteria of eligibility for participation in the Proposed ESOS as indicated in the ESOS By-Laws
"Entitled Warrantholder(s)"	:	Shareholders of CWG whose names appear in the Record of Depositors of the Company on the Warrants Entitlement Date
"EPS/ (LPS)"	:	Earnings/ (Loss) per share
"ESOS"	:	Employee Share Options Scheme
"ESOS By-Laws"	:	The rules, terms and conditions of and governing the Proposed ESOS (as modified, varied and/or amended from time to time), a draft of which is enclosed in Appendix III of this Circular
"ESOS Committee"	:	The committee appointed and authorised from time to time by the Board, responsible for implementing, allocating and administering the Proposed ESOS
"ESOS Option(s)"	:	ESOS options that may be granted pursuant to the Proposed ESOS
"FPE"	:	Financial period ended/ ending, as the case may be

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**DEFINITIONS (CONT'D)**

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"FYE"	:	Financial year ended/ ending, as the case may be
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	24 December 2021, being the latest practicable date prior to the printing and despatch of this Circular
"LTD"	:	21 October 2021, being the last full trading day preceding the execution of the Subscription Agreement
"Market Day(s)"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities
"Maximum Scenario"	:	Assuming all of the 494,300 treasury shares are resold prior to the implementation of the Proposals
"MFRS 2"	:	Malaysian Financial Reporting Standard 2 on Share-based Payment as issued by the Malaysian Accounting Standard Board
"Minimum Scenario"	:	Assuming none of the 494,300 treasury shares are resold prior to the implementation of the Proposals
"NA"	:	Net assets attributable to equity holders
"Official List"	:	A list specifying all securities that have been admitted for listing on Bursa Securities and not removed
"Ooi Chin Soon" or the "Interested Major Shareholder"	:	Ooi Chin Soon, the major shareholder of CWG, who is also an Eligible Person under the Proposed ESOS
"PAT/ (LAT)"	:	Profit/ (Loss) after tax
"PBT/ (LBT)"	:	Profit/ (Loss) before tax
"Placement Cut-Off Date"	:	3 months from the date of the Subscription Agreement with an automatic extension of a further 3 months if the conditions precedent shall not have been satisfied by the expiry of the aforesaid initial 3-month period
"Placement Share(s)"	:	Up to 37,887,030 new CWG Shares to be issued pursuant to the Proposed Private Placement to the following parties:-  (i) 25,258,020 new CWG Shares to Datuk Hong pursuant to the Subscription Agreement; and  (ii) up to 12,629,010 new CWG Shares to Third-Party Investor(s)
"Proposals"	:	The Proposed Private Placement, Proposed Bonus Issue of Warrants, Proposed ESOS, and Proposed Allocation collectively
"Proposed Allocation"	:	Proposed Allocation of ESOS Options to the Executive Directors of CWG
"Proposed Bonus Issue of Warrants"	:	Proposed bonus issue of up to 82,088,566 Warrants on the basis of 1 Warrant for every 2 existing CWG Shares held the Warrants Entitlement Date.

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**DEFINITIONS (CONT'D)**

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"Proposed ESOS"	:	Proposed establishment of the Company's ESOS of up to 10% of the total number of issued shares of CWG (excluding treasury shares) at any point in time over the duration of the ESOS for Eligible Persons
"Proposed Private Placement"	:	Proposed private placement of up to 37,887,030 Placement Shares, representing approximately 30% of the existing total number of issued Shares of CWG (excluding treasury shares)
"Record of Depositors"	:	A record of security holders provided by Bursa Depository pursuant to the Rules of Bursa Depository
"Remaining Placement Share(s)"	:	Up to 12,629,010 remaining Placement Shares representing approximately 10% of the total number of issued shares of CWG (excluding treasury shares) to Third-Party Investor(s)
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SC"	:	Securities Commission Malaysia
"Subscription Agreement"	:	The subscription agreement dated 22 October 2021 entered into between CWG and the Placee for the Subscription Shares at the Subscription Price, to be satisfied in full via cash in accordance with the terms and conditions of the Subscription Agreement
"Subscription Price"	:	The issue price of RM0.40 per Subscription Share for the issue of 25,258,020 Placement Shares to Datuk Hong under the Subscription Agreement
"Subscription Share(s)"	:	25,258,020 new CWG Shares to be issued pursuant to the Proposed Private Placement to Datuk Hong under the Subscription Agreement
"Third-Party Investor(s)"	:	Third-party investor(s), who qualify under Schedules 6 and 7 of the Capital Market Services Act 2007 to be identified at a later stage. For clarification, such third-party investor(s) will not include the following parties:-  (i) Any Director, major shareholder, chief executive of CWG or a holding company of CWG, or a person connected with the Director, the major shareholder or the chief executive of CWG; and  (ii) Nominee corporations, unless the names of the ultimate beneficiaries are disclosed
"UOBKH" or the "Adviser" or the "Placement Agent"	:	UOB Kay Hian Securities (M) Sdn Bhd (199001003423 (194990-K))
"VWAP"	:	Volume weighted average market price
"Warrant(s)"	:	Up to 82,088,566 bonus warrants in CWG to be issued pursuant to the Proposed Bonus Issue of Warrants
"Warrants Entitlement Date"	:	An entitlement date to be determined and announced later by the Board, on which the names of the shareholders of the Company must appear in the Record of Depositors of the Company as at 5.00 p.m. in order to participate in the Proposed Bonus Issue of Warrants

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**DEFINITIONS (CONT'D)**

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All references to the "**Company**" and "**CWG**" in this Circular are made to CWG Holdings Berhad (Registration No. (201601035444 (1206385-W)) and references to the "**Group**" are made to the **CWG** Group and the subsidiary companies. All references to "we", "us", "our" and "ourselves" are made to the Company, or where the context requires, shall include the subsidiaries.

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

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

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

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## EXECUTIVE SUMMARY

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*This Executive Summary highlights only the salient information of the Proposals. You are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the forthcoming EGM.*

Key information	Description	Reference to Circular
Details of the Proposals	<b><u>Proposed Private Placement</u></b>	Section 2
	The Proposed Private Placement involves the issuance of up to 37,887,030 Placement Shares, representing approximately 30% of the total number of issued shares of CWG (excluding treasury shares to the following parties:-  (i) 25,258,020 Shares to Datuk Hong at an issue price of RM0.40 per Subscription Share through a Subscription Agreement; and  (ii) up to 12,629,010 Shares to Third Party Investor(s)	
	<b><u>Proposed Bonus Issue of Warrants</u></b>	
	The Proposed Bonus Issue of Warrants is to be implemented on the basis of 1 Warrant for every 2 existing Shares held by the Entitled Warrantholders.	
Rationale	<b><u>Proposed ESOS</u></b>	
	The Proposed ESOS involves the granting of ESOS Options to Eligible Persons to subscribe for CWG Shares. The maximum number of new Shares to be issued under the Proposed ESOS shall not exceed in aggregate 10% of the total number of issued CWG Shares (excluding treasury shares) at any point in time over the duration of the Proposed ESOS. For the avoidance of doubt, the ESOS Options will not be granted to the non-Executive Directors of the Company.	
	<b><u>Proposed Allocation</u></b>	
	The Proposed Allocation involves the allocation of ESOS Options to the Eligible Executive Directors of the Company.	
Rationale	<b><u>Proposed Private Placement</u></b>	Section 3
	The Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement enables the Company to raise additional funds without incurring interest costs as compared to conventional bank borrowings and increases the size and strength of the Company's shareholders' funds.  Further, the Subscription Agreement provides certainty on the placement amount to be raised, thereby giving more assurance to the successful completion of the Proposed Private Placement.	
	<b><u>Proposed Bonus Issue of Warrants</u></b>	
	The Board intends to undertake the Proposed Bonus Issue of Warrants to reward the existing shareholders of the Company in the form of Warrants for their loyalty and continued support.	
Rationale	<b><u>Proposed ESOS and Proposed Allocation</u></b>	
	The Proposed ESOS and Proposed Allocation will enable CWG to grant ESOS Options to Eligible Persons and Eligible Executive Directors to recognise their contributions to the operations and continued growth of the Group.	

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## EXECUTIVE SUMMARY (CONT'D)

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<b>Effects</b>	<p>The Proposals will have the following effects:-</p> <ol style="list-style-type: none"><li>i. Increase the number of CWG Shares in issue while increasing CWG's issued share capital in RM value;</li><li>ii. No effect on the gearing ratio and the earnings of the Group, while diluting the percentage of shareholding of our shareholders;</li><li>iii. The NA per Share and EPS of the Group will be diluted due to the increase in the number of CWG Shares in issue</li></ol> <p>However, NA per Share and EPS of CWG Group will be diluted due to the increase in the number of CWG Shares in issue.</p>	Section 6
<b>Approvals required</b>	<p>The Proposals are subject to the following approvals:-</p> <ul style="list-style-type: none"><li>➤ The approval from Bursa Securities, the approval of which has been obtained vide its letter dated 22 December 2021;</li><li>➤ The approval of the shareholders at an EGM of the Company to be convened; and</li><li>➤ The approvals / consents of any other relevant authorities and/or parties, if required.</li></ul>	Section 8
<b>Conditionality</b>	<p>Save for the Proposed Allocation, which is conditional upon the Proposed ESOS, the Proposals are not inter conditional upon each other.</p>	Section 9
<b>Interested parties</b>	<p><b><u>Proposed Private Placement</u></b></p> <p>None of the directors and/ or major shareholders, chief executive of CWG and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.</p> <p><b><u>Proposed Bonus Issue of Warrants</u></b></p> <p>None of the directors, major shareholders, chief executive of CWG and/ or persons connected with them has any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of CWG under the Proposed Bonus Issue of Warrants, which are also available to all other shareholders of the Company on a pro-rata basis</p> <p><b><u>Proposed ESOS and Proposed Allocation</u></b></p> <p>None of the directors, major shareholders, chief executive of CWG and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed ESOS, save for the Executive Directors who are eligible to participate in the Proposed ESOS, and are therefore deemed interested to the extent of their respective proposed allocation, and the proposed allocations of persons connected to them, if any, under the Proposed ESOS</p>	Section 10
<b>Board's recommendation</b>	<p>The Board, having considered all aspects of the Proposed Private Placement, Proposed Bonus Issue of Warrants, and Proposed ESOS, including the rationale and justification and the effects of the abovementioned, is of the opinion that the Proposals are in the best interest of the Company. Accordingly, the Board recommends that you <b>VOTE IN FAVOUR</b> for the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p> <p>The Board, save for the Executive Directors, recommends that you <b>VOTE IN FAVOUR</b> for the resolutions pertaining to the Proposed Allocation to be tabled at the forthcoming EGM.</p>	Section 11





**CWG HOLDINGS BERHAD**  
Registration No. 201601035444 (1206385-W)  
(Incorporated in Malaysia)

**Registered Office**

6428 Lorong Mak Mandin Tiga  
Mak Mandin Industrial Estate  
13400 Butterworth, Penang

10 January 2022

**Board of Directors**

Dato' Mohd. Junid Bin Mohd. Noor @ Md Noor (*Independent Non-Executive Chairman*)  
Mr Ooi Chin Soon (*Executive Deputy Chairman*)  
Mr Tan Hing Ming @ Chin Hing Ming (*Group Managing Director*)  
En Razmi Bin Alias (*Senior Independent Non-Executive Director*)  
Mr Loh Seong Yew (*Independent Non-Executive Director*)  
Mr Ng Tiang Yong (*Independent Non-Executive Director*)

**To: The shareholders of CWG Holdings Berhad**

Dear Sir/ Madam,

- I. PROPOSED PRIVATE PLACEMENT;**
- II. PROPOSED BONUS ISSUE OF WARRANTS;**
- III. PROPOSED ESOS; AND**
- IV. PROPOSED ALLOCATION**

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**1. INTRODUCTION**

On behalf of the Board, UOBKH had on 22 October 2021, announced that the Company proposed to undertake the following:-

- (i) a private placement involving the issuance of up to 37,887,030 Placement Shares representing approximately 30% of the total number of issued shares of CWG (excluding treasury shares). For the avoidance of doubt, the Proposed Private Placement is not undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Act and that the Proposed Private Placement is subject to specific shareholders' approval pursuant to Paragraph 6.05 of the Listing Requirements. The Proposed Private Placement is to be undertaken to the following parties:-
  - (a) Datuk Hong, through the Subscription Agreement entered into with the Company on 22 October 2021 for a private placement of 25,258,020 Subscription Shares representing approximately 20% of the total number of issued shares of CWG (excluding treasury shares), at the subscription price of RM0.40 per Subscription Share; and

- (b) Third-Party Investor(s), where such investor(s) qualify under Schedules 6 and 7 of the Capital Market and Services Act 2007, which involves the issuance of up to 12,629,010 Placement Shares representing approximately 10% of the total number of issued shares of CWG (excluding treasury shares).
- (ii) a bonus issue of up to 82,088,566 Warrants on the basis of 1 Warrant for every 2 existing CWG Shares held on the Warrants Entitlement Date; and
- (iii) the establishment of the Company's ESOS of up to 10% of the total number of issued shares of CWG (excluding treasury shares) at any point in time over the duration of the ESOS, for eligible persons.

On 23 December 2021, UOBKH had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 22 December 2021, resolved to approve the listing and quotation of the Placement Shares, Warrants, the new CWG Shares to be issued arising from the exercise of the Warrants, and such number of new CWG Shares, representing up to 10% of the total number of issued shares of CWG (excluding treasury shares, if any), which may be issued pursuant to the Proposed ESOS pursuant to the Proposals on the Main Market of Bursa Securities, subject to the conditions as disclosed in **Section 8** of this Circular.

For your information, the shareholders' approvals for all the Proposals will be sought concurrently in the same EGM of CWG on 25 January 2022.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, AS WELL AS TO SET OUT THE RECOMMENDATION OF THE BOARD, AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE EGM.**

## **2. DETAILS OF THE PROPOSALS**

As at the LPD, the total issued share capital of CWG was RM63,145,052 comprising 126,290,103 CWG Shares (including 494,300 treasury shares). For information purposes, as at the LPD, CWG does not have any convertible securities.

It is the intention of the Board to implement the Proposed Private Placement first, followed by the implementation of the Proposed Bonus Issue of Warrants and thereafter, the Proposed ESOS.

### **2.1 Proposed Private Placement**

#### **2.1.1 Placement size**

The Proposed Private Placement entails the issuance of up to 37,887,030 Placement Shares representing approximately 30% of the total number of issued shares of CWG (excluding treasury shares). As at the LPD, the total issued share capital of CWG was RM63,145,052 comprising 126,290,103 CWG Shares (including 494,300 treasury shares). Upon completion of the Proposed Private Placement, the total issued share capital of CWG is expected to increase to RM78,299,864 comprising 164,177,133 CWG Shares under the Maximum Scenario.

## 2.1.2 Placement Arrangement

On 22 October 2021, CWG entered into the Subscription Agreement with the Placee, whereby the Placee agreed to subscribe for the Subscription Shares comprising 25,258,020 Placement Shares at an issue price of RM0.40 per Subscription Share for a total sum of RM10,103,208, to be satisfied in full via cash in accordance with the terms and conditions of the Subscription Agreement. Datuk Hong has confirmed through a signed undertaking letter, that he has sufficient financial resources to subscribe for the Subscription Shares pursuant to the Subscription Agreement. The said confirmation has been verified by UOBKH, being the Adviser and Placement Agent for the Proposed Private Placement.

The Subscription Agreement was entered into between the Company and the Placee to allow CWG to secure a portion of the funding from the Proposed Private Placement in an expedient manner as the payment for the Subscription Shares will be deposited with the Company within 5 Market Days from the EGM.

Details of the allocations of the Placement Shares are set out below:-

	<-----Minimum Scenario----->		<-----Maximum Scenario----->	
	Number of Placement Shares	%	Number of Placement Shares	%
Datuk Hong (pursuant to the Subscription Agreement)	25,258,020	66.9	25,258,020	66.7
Third-Party Investors	12,480,720	33.1	12,629,010	33.3
<b>Total</b>	<b>37,738,740</b>	<b>100.0</b>	<b>37,887,030</b>	<b>100.0</b>

As illustrated above, up to 12,629,010 Remaining Placement Shares will be placed out to Third-Party Investor(s) under the Maximum Scenario. In accordance with Paragraph 6.04(c) of the Listing Requirements, the Remaining Placement Shares will not be placed out to the following parties:-

- (i) any director, major shareholder, chief executive of CWG or person connected with a director, major shareholder or chief executive of CWG; and
- (ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

In the event the Company is unable to identify sufficient placee(s) to subscribe for the Remaining Placement Shares at one time, the Proposed Private Placement may be implemented in tranches within 6 months from the date of Bursa Securities' approval for the Proposed Private Placement or any extended period as may be approved by Bursa Securities.

### **2.1.3 Information on the Placee**

Datuk Hong, aged 45, currently acts as a Non-Independent Non-Executive Director of Watta Holding Berhad. He obtained a Diploma in Interior Design from PJ Art & Design College and holds a Diploma in Computer Science and Information Technology from Informatics College, Petaling Jaya.

Datuk Hong has more than 20 years of working experience in the corporate finance and ICT Technology industries in which he served in various capacities and held various responsibilities such as overseeing business operations, formulating marketing and product planning, securing new business and maintaining business relationships with customers. He has acted as the IT Director of Mosys Technology Sdn Bhd from 2002 to 2004, the Chief Technology Officer of Softcube Sdn Bhd from 2004 to 2007, the Project Director of Giansoft Technology Sdn Bhd from 2008 to 2011, an Executive Director of Play4Fun Sdn Bhd from 2012 to 2014, and the Executive Director and Financial Controller for MyWorld Holdings Berhad from 2014 to 2015. In 2014, Datuk Hong also assumed the position of Independent Non-Executive Director of Sunzen Biotech Berhad, in which he was later re-designated to Executive Director in the same year and served in this capacity from 2014 to 2018, where he was later re-designated to Managing Director from 2018 to 2020, before resigning from the board of directors of Sunzen Biotech Berhad on 16 June 2020. In May 2017, Datuk Hong was appointed to the Board of Directors of Watta Holding Berhad as a Non-Independent Non-Executive Director, a position he still holds as at the LPD.

Datuk Hong also presently serves on the board of directors of several privately held companies.

### **2.1.4 Salient terms of the Subscription Agreement**

Subject to the terms and conditions of the Subscription Agreement, CWG agrees to allot and issue to the Placee and the Placee agrees to subscribe for the Subscription Shares at the Subscription Price.

The salient terms of the Subscription Agreement are set out in **Appendix I** of this Circular.

### **2.1.5 Basis of determining the issue price of the Placement Shares**

#### **(i) Pursuant to the Subscription Agreement**

The Subscription Shares will be placed out at an issue price of RM0.40 per Subscription Share pursuant to the Subscription Agreement and was arrived at between CWG and the Placee on a willing-buyer willing-seller basis after taking into consideration the prevailing market price of CWG Shares.

The Board had fixed the issue price of RM0.40 per Subscription Share after taking into consideration immediate funding requirements of the Company.

The issue price of RM0.40 per Subscription Share pursuant to the Subscription Agreement represents a discount of approximately 1.21% to the 5-day VWAP of CWG Shares up to and including the LTD.

In addition, the issue price of RM0.40 per Subscription Share represents the following discount to the historical prices of CWG Shares:-

<b>Up to and including the LTD</b>	<b>VWAP RM</b>	<b>Discount to the VWAP RM</b>	<b>%</b>
5-day VWAP of CWG Shares	0.4049	0.0049	1.21
1-month VWAP of CWG Shares	0.4190	0.0190	4.53
3-month VWAP of CWG Shares	0.5229	0.1229	23.50
6-month VWAP of CWG Shares	0.5214	0.1214	23.28
12-month VWAP of CWG Shares	0.5184	0.1184	22.84

<b>Closing price of CWG Shares as at 7 January 2022 (being the latest trading day prior to the date of this Circular) ("Closing Price") (RM)</b>	<b>Discount to Closing Price RM</b>	<b>%</b>
0.505	0.105	20.79%

The Company is of the view that the discount of approximately 1.21% was sufficient to entice the Placee to subscribe for the Subscription Shares. In addition, by fixing the issue price up front, CWG Group is able to secure a portion of the necessary funding required (which will be received within 5 Market Days after the EGM, subject to obtaining shareholders' approval for the Proposals), which will immediately be used to fund the working capital requirements of the Group.

(ii) **Third-Party Investor(s)**

The issue price of the Remaining Placement Shares will be determined and fixed by the Board at a later date after receipt of all relevant approvals for the Proposed Private Placement.

The Remaining Placement Shares will be issued at a price of not more than 10% discount to the 5-day VWAP of CWG Shares immediately preceding the price-fixing date. This provides the Board the flexibility to fix any price range up to a maximum discount of 10% in order to entice investors to subscribe for the Remaining Placement Shares. The proceeds to be raised from the Proposed Private Placement will be used to meet the Group's immediate funding requirements as set out in **Section 2.1.6** of this Circular.

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The Proposed Private Placement may be implemented in tranches within 6 months from the date of Bursa Securities' approval for the Proposed Private Placement. The Company will make the necessary price-fixing announcement(s) once the issue price of the Remaining Placement Shares has been fixed. In the event the Remaining Placement Shares are to be issued in tranches, there will be a price-fixing announcement for each tranche of Remaining Placement Shares and the Company will ensure payment for the Remaining Placement Shares by the Third-Party Investor(s) is received within 5 market days from the price-fixing date of each tranche of the Proposed Private Placement.

In the event the Company is unable to place out all the Remaining Placement Shares within the stipulated 6 months period from the date of Bursa Securities' approval for the Proposed Private Placement, the Company may seek an extension of time from Bursa Securities to complete the implementation of the Proposed Private Placement, which is subject to Bursa Securities' deliberation and decision.

The Company intends to fully place out the Remaining Placement Shares at a price deemed attractive as well as acceptable to both the Company and potential investor(s) and also to meet the utilisation of proceeds as set out in **Section 2.1.6** of this Circular. After taking into consideration the prevailing market conditions and the improving market sentiment, the Board is of the view that the discount of 10% will be attractive enough to entice potential investor(s) to subscribe for the Remaining Placement Shares.

For illustrative purposes only, the illustrative issue price of the Remaining Placement Shares is assumed at RM0.40 per Placement Share.

#### 2.1.6 Utilisation of proceeds

Placee(s)/ Subscriber(s)	No of Shares		Issue price RM	Gross proceeds to be raised	
	Minimum Scenario	Maximum Scenario		Minimum Scenario RM'000	Maximum Scenario RM'000
Datuk Hong	25,258,020	25,258,020	0.40	10,103	10,103
Third-Party Investor(s)	12,480,720	12,629,010	0.40	4,992	5,052
	<b>37,738,740</b>	<b>37,887,030</b>		<b>15,095</b>	<b>15,155</b>

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The illustrative gross proceeds to be raised from the Proposed Private Placement is intended to be utilised in the following manner:-

Utilisation	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000
Working capital <sup>*1</sup>	Within 12 months from the receipt of placement funds	14,825	14,885
Estimated expenses <sup>*2</sup>	Upon completion of the Proposals	270	270
<b>Total</b>		<b>15,095</b>	<b>15,155</b>

**Notes:-**

<sup>\*1</sup> *The Group intends to utilise the proceeds raised from the Proposed Private Placement to fund its working capital requirements, which include, but are not limited to, payment to suppliers/ creditors of the Group, general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and any other overhead expenditures.*

*For the avoidance of doubt, the Group currently operates in only 1 business segment, namely the manufacturing and sale of stationery and printing materials. Presently, the Group derives majority of its revenue contribution from Malaysia and other Asian countries, with other significant revenue contributions from the Oceanic and European regions. Based on the Group's latest audited financial statements for FYE 30 June 2021, the Group's revenue contribution from Malaysia and other Asian countries was approximately 53.6%, while the Oceanic and European regions provided a revenue contribution of 20.8% and 19.3% respectively. In view of this, the Group intends to strengthen its presence in the aforesaid regions which may possibly lead to an improved earnings potential of the Group moving forward.*

*Accordingly, the Group had successfully undertaken 2 business expansions within its core expertise in the recent months. In December 2020, the Group launched its own eCommerce website titled Campaponline.com, which specialises in the distribution of a comprehensive range of paper stationeries under the brand names of CAMPAP, ARTO BY CAMPAP, and FUTURE ACE. Pursuant to the establishment of Campaponline.com, the Company had incurred, and is expected to further incur, additional working requirements due to the employment of additional staff to specialise in eCommerce sales and marketing and the increase in utility expenses required to maintain eCommerce website.*

*Alongside this, in May 2021, Chee Wah Corporation Berhad, a wholly-owned subsidiary of CWG, had been appointed as a distributor for Hahnemühle Traditional Fine Art Products, a German manufacturer of paper products and fine-art inkjet papers, in Malaysia and other designated Asian countries (i.e Brunei, Cambodia, Myanmar, Maldives, and Mongolia) (collectively referred to as the "Distribution Territories"). Pursuant to this, the Group intends to utilise the funds raised from the Proposed Private Placement for advertising and promotional activities to increase the brand awareness of the Hahnemühle products in the Distribution Territories. The promotional activities related to the Hahnemühle products shall include but is not limited to utilising traditional advertising routes such as television, radio and the press, taking part in different types of sponsorship and deployment of dedicated marketing personnel to provide personalised services to potential customers. Ultimately, this allows CWG to expand the Hahnemühle products reach to more consumers thereby potentially increasing its domestic product sale in the medium to long term.*

*The Group has not determined the breakdown of such proceeds at this juncture as the allocation will be dependent on the operating and funding requirements at the time of utilisation. Notwithstanding that, and on a best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of the working capital are as follows, subject to the operating and funding requirements of the Group at the time of utilisation:-*

	<b>Estimated allocation of proceeds (%)</b>
<i>Payment to suppliers/ creditors of the Group</i>	40
<i>Defrayment of operational expenses including the purchase of materials, staff related expenses such as salaries, wages, allowances, interest expenses, and other operating expenses such as utilities, upkeep of offices, and maintenance of plants and machinery</i>	60
<b>Total</b>	<b>100</b>

*The actual utilization for the working capital is subject to CWG Group's operational requirements at the time of utilization, and as such can only be determined at a later stage.*

<sup>2</sup> *The proceeds earmarked for estimated expenses in relation to the Proposals will be utilised as follows:-*

	<b>RM'000</b>
<i>Professional fees (i.e. advisers and placement agent)</i>	130
<i>Regulatory fees</i>	110
<i>Other incidental expenses in relation to the Proposals</i>	30
<b>Total</b>	<b>270</b>

The actual gross proceeds to be raised from the Proposed Private Placement is dependent on the issue price and the number of Placement Shares to be issued.

Pending utilisation of proceeds from the Proposed Private Placement for the above purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund the Group's working capital requirement.

Any variance in the actual gross proceeds raised and the intended gross proceeds to be raised from the Proposed Private Placement will be adjusted against the proceeds earmarked for working capital.

### **2.1.7 Ranking of the Placement Shares**

The Placement Shares will, upon allotment and issuance, rank equally in all respects with the existing CWG Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the Placement Shares.

### **2.1.8 Listing and quotation for the Placement Shares**

Bursa Securities had, vide its letter dated 22 December 2021, approved the listing and quotation for the Placement Shares on the Main Market of Bursa Securities pursuant to the Proposed Private Placement.



## 2.2 PROPOSED BONUS ISSUE OF WARRANTS

### 2.2.1 Proposed Bonus Issue of Warrants

The Proposed Bonus Issue of Warrants is to be implemented on the basis of 1 Warrant for every 2 existing Shares held by the Entitled Warrantheolders.

It is the intention of the Company to implement the Proposed Bonus Issue of Warrants after the implementation of the Proposed Private Placement but prior to the implementation of the Proposed ESOS. The Company plans to reward its existing shareholders, and new shareholders arising from the Proposed Private Placement, for their support by enabling them to participate in a derivative of the Company without incurring any costs. In view of this, the Company intends to implement the Proposed Bonus Issue of Warrants within 3 months after the Company has obtained shareholders' approval at its EGM to allow sufficient time for the Company to complete the Proposed Private Placement prior to the implementation of the Proposed Bonus Issue of Warrants. In the event the Company is unable to secure placees, or that the Proposed Private Placement is delayed or not fully placed out, the Company will still proceed to implement the Proposed Bonus Issue of Warrants within the aforesaid timeframe.

As at the LPD and upon completion of the Proposed Private Placement, the total issued share capital of CWG would be RM78,299,864 comprising 164,177,133 CWG Shares (including 494,300 treasury shares) under the Maximum Scenario. Upon completion of the Proposed Bonus Issue of Warrants and after the full exercise of the Warrants, the total issued share capital of CWG is expected to increase to RM107,441,305 comprising 246,265,699 CWG Shares under the Maximum Scenario, further details as set out below:-

<b>Minimum Scenario</b>	:	Assuming none of the 494,300 treasury shares are resold prior to the implementation of the Proposals
		<b>No. of Warrants</b> 81,767,271 Warrants may be issued based on the enlarged number of up to 163,534,543 issued Shares (excluding 494,300 treasury shares) upon the completion of the Proposed Private Placement
<b>Maximum Scenario</b>	:	Assuming all of the 494,300 treasury shares are resold prior to the implementation of the Proposals
		<b>No. of Warrants</b> 82,088,566 Warrants may be issued based on the enlarged number of up to 164,177,133 issued Shares (including 494,300 treasury shares) upon the completion of the Proposed Private Placement

The actual number of Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants will depend on the total number of issued shares (excluding treasury shares, if any) on the Warrants Entitlement Date.

The entitlement basis for the Proposed Bonus Issue of Warrants was determined after taking into consideration the following:-

- (i) compliance with Paragraph 6.50 of the Listing Requirements, which states that the number of new CWG Shares that will arise from all outstanding Warrants, when exercised, shall not exceed 50% of the total number of issued Shares (excluding treasury shares and before the exercise of the Warrants) at all times;
- (ii) dilutive effects arising from the full exercise of Warrants on the consolidated EPS of the Company; and

- (iii) amount of proceeds the Company could potentially raise as and when the Warrants are exercised during the exercise period of the Warrants.

In determining the entitlements under the Proposed Bonus Issue of Warrants, fractional entitlements, if any, shall be dealt with in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company.

The Warrants, which will be issued in registered form and constituted the Deed Poll, will have a tenure of 5 years. The salient terms of the Deed Poll are set out in **Appendix II** of this Circular.

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

## 2.2.2 Basis and justification of determining the exercise and issue price of Warrants

The Warrants will be issued at no cost to the Entitled Warrantheolders and the exercise price of the Warrants will be determined and announced at a later date by the Board after the receipt of all relevant approvals but before the announcement of the Warrants Entitlement Date.

The exercise price of the Warrants will be determined and fixed by the Board after taking into consideration, amongst others, the following:-

- (i) the historical price movement of CWG Shares;
- (ii) the Warrants are exercisable at any time for a tenure of 5 years from the date of issuance of the Warrants which may provide the shareholders an alternative to participate and trade in the equity derivative of CWG over the tenure of Warrants and potentially realize a capital gain in the event of any Share price appreciation;
- (iii) the Warrants will be issued at no cost, and
- (iv) a discount range of 10% to 30% to the 5-day VWAP immediately preceding the pricing fixing date. The abovementioned range of discount will allow the Board to fix the exercise price of the Warrants at a sufficiently attractive price to incentivise Warrantheolders to exercise the Warrants and increase their equity participation in the Company, while also allowing the Board the necessary flexibility to accommodate for potential fluctuations in prevailing market conditions and prices.

For illustrative purposes, the illustrative exercise price of the Warrant is assumed at RM0.355 which represents the following discount to the historical VWAPs of CWG Shares:-

Up to and including the LPD	VWAP RM	Discount to the VWAP RM	%
5-day VWAP of CWG Shares	0.4612	0.1062	23.03
1-month VWAP of CWG Shares	0.4807	0.1257	26.14
3-month VWAP of CWG Shares	0.4675	0.1125	24.06
6-month VWAP of CWG Shares	0.5054	0.1504	29.76
12-month VWAP of CWG Shares	0.5039	0.1489	29.55

UOBKH or the Company will make an immediate announcement on the exercise price of the Warrants, the basis of determining the discount and the justifications for the quantum of discount to be applied, once the aforesaid has been determined and fixed by the Board.

### **2.2.3 Ranking of the new CWG Shares to be issued arising from the exercise of Warrants**

The Entitled Warrantholders are not recognised as shareholders and are not entitled to any dividends, rights, allotments and/or other distributions until and unless such Entitled Warrantholder exercise their Warrants into new Shares.

The new CWG Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing CWG Shares, save and except that the new CWG 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 before the exercise of Warrants.

### **2.2.4 Listing of and quotation for the Warrants and new CWG Shares to be issued arising from the exercise of the Warrants**

Bursa Securities had, vide its letter dated 22 December 2021, approved the admission of the Warrants to the Official List as well as the listing of and quotation for the Warrants and the new CWG Shares to be issued arising from the exercise of the Warrants, on the Main Market of Bursa Securities.

### **2.2.5 Utilisation of proceeds**

The Warrants will not raise any immediate funds for the Company when issued as the Warrants will be issued without any cost to the Entitled Warrantholders. The amount of proceeds to be raised from the exercise of Warrants would depend on the actual number of Warrants exercised during the exercise period of Warrants. As such, the exact quantum and timeframe for utilisation of the proceeds to be used cannot be determined at this juncture.

For illustrative purposes, the gross proceeds to be raised assuming all the Warrants are exercised at the illustrative exercise price of RM0.355 per Warrant are set out below:-

	<b>No. of Warrants exercised</b>	<b>Gross proceeds raised RM</b>
<b>Minimum Scenario</b>	81,767,271	29,027,381
<b>Maximum Scenario</b>	82,088,566	29,141,441

Such proceeds to be raised, as and when the Warrants are exercised, are expected to fund the working capital requirements of the Group. The proceeds to be used for the working capital requirements are subject to operational requirements of the Group at the point of utilisation and thus, the actual timeframe and breakdown of utilisation is not determinable at this juncture.

The proceeds that are not immediately used will be placed in interest bearing deposits with licensed financial institutions or short term money market instruments. Any interest earned from such deposits will be used to fund the working capital requirements of the Group.

## 2.3 PROPOSED ESOS

The Proposed ESOS involves the granting of ESOS Options to Eligible Persons to subscribe for CWG Shares at specified prices to be determined in the manner as set out in **Section 2.3.5** of this Circular. For the avoidance of doubt, the ESOS Options will not be granted to the non-Executive Directors of the Company.

The Proposed ESOS will be administered by the ESOS Committee. The ESOS Committee will have the absolute discretion in administering the Proposed ESOS as it may deem fit, in accordance with the provisions set out in the ESOS By-Laws. The decision as to whether or not to stagger the allocation of the ESOS Options over the duration of the Proposed ESOS as well as for the granting of ESOS Options, shall be determined by the ESOS Committee at a later date.

The ESOS Committee may at its absolute discretion decide that the ESOS Options be satisfied via the following methods:-

- (i) issuance of new CWG Shares;
- (ii) transfer of CWG's treasury shares (if any) or any other methods as may be permitted by the Act; or
- (iii) a combination of the above.

In considering the mode of satisfaction as referred to in item (i) to (iii) above, the ESOS Committee will take into consideration amongst others, factors such as the prevailing market price of CWG Shares and the potential cost arising from the granting of ESOS Options.

The salient features of the Proposed ESOS are set out below:-

### 2.3.1 Maximum number of CWG Shares available under the Proposed ESOS

The maximum number of new CWG Shares, which may be allotted pursuant to the Proposed ESOS shall not exceed in aggregate 10% of the total number of issued CWG Shares (excluding treasury shares) at any point in time over the duration of the Proposed ESOS.

### 2.3.2 Basis of allotment and maximum allowable allotment

The maximum number of new CWG Shares that may be offered to an Eligible Person under the Proposed ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other relevant factors, the Eligible Person's performance, seniority, number of years in service and such other factors that the ESOS Committee may deem relevant in its discretion and shall be subject to the following:-

- (i) that the number of ESOS Options made available under the Proposed ESOS shall not exceed the amount stipulated in **Section 2.3.1** of this Circular,
- (ii) the allocation to any individual Eligible Person, who either individually or collectively, through persons connected with him/ her, holds 20% or more of the total number of issued shares of CWG (excluding treasury shares, if any), must not exceed 10% of the total number of new CWG Shares to be issued under the Proposed ESOS; and

- (iii) not more than 70% of the total number of CWG Shares to be made available under the Proposed ESOS shall be allocated, in aggregate, to the Executive Directors and senior management of CWG Group (excluding dormant subsidiaries) on the basis that they are crucial to the performance of the Group as determined by the ESOS Committee at their sole and absolute discretion; and

In the event that any Eligible Person is a member of the ESOS Committee, such Eligible Person shall not participate in the deliberation or discussion of their own allocation of the ESOS Options or persons connected with them.

The ESOS Committee has the discretion to determine whether the ESOS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting conditions are subject to performance target. As at the date of this Circular, the Company has yet to determine any specific performance targets, which are required to be achieved before the exercise of the ESOS Options by an Eligible Person.

The ESOS Committee has the discretion to determine whether the Eligible Person is required to achieve any specific performance target(s) before he/ she may exercise the ESOS Options granted to him/ her. Any such performance target(s) if set, shall be stated in the offer letter to the Eligible Person.

### **2.3.3 Eligibility**

Subject to the discretion of the ESOS Committee, only Eligible Persons who meet the following conditions as at the date on which an offer is made by the ESOS Committee in writing ("**Date of Offer**") shall be eligible to participate in the Proposed ESOS:-

- (i) the Eligible Person shall have attained the age of 18 years on the Date of Offer and neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) such employee is employed on a full time basis and is on the payroll of any company within the Group (excluding dormant subsidiaries) and his/ her employment has been confirmed or such employee is serving in a specific designation under an employment contract for a fixed duration of not less than 1 year;
- (iii) the Eligible Person is not a participant of any other ESOS implemented by any company within the Group which is in force for the time being; and
- (iv) the Eligible Person has fulfilled any other eligibility criteria and/ or falls within such grade/ category as may be determined by the ESOS Committee at its sole discretion from time to time,

The Executive Directors, chief executive of CWG or any person connected in them are eligible to participate in the Proposed ESOS, such entitlement under the ESOS must have been approved by the shareholders of the Company in a general meeting.

The ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above. The eligibility and number of ESOS Options to be offered to an Eligible Person under the Proposed ESOS shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

#### **2.3.4 Duration**

The Proposed ESOS, when implemented, shall be in force for a period of 5 years from the effective date of implementation of the Proposed ESOS ("**ESOS Effective Date**").

On or before the expiry of the above initial 5-year period, the Proposed ESOS may be extended by the Board at its absolute discretion, without having to obtain approval from the Company's shareholders, for a further period of up to 5 years, but will not in aggregate exceed 10 years from the ESOS Effective Date or such longer period as may be allowed by the relevant authorities.

#### **2.3.5 Basis of determining the subscription price**

Subject to any adjustments made under the ESOS By-Laws and pursuant to the Listing Requirements, the subscription price shall be based on the 5-day VWAP of CWG Shares at the time the ESOS Options are offered, with a discount of not more than 10% or such other percentage of discount as may be permitted by any prevailing guideline issued by Bursa Securities and/ or any other relevant authorities as amended from time to time, as determined by the Board upon recommendation of the ESOS Committee which shall be binding and conclusive.

#### **2.3.6 Ranking of the ESOS Options and new CWG Shares to be issued arising from the exercise of the ESOS Options**

The new CWG Shares to be issued and/ or transferred via treasury shares upon the exercise of the ESOS Options will, upon allotment, issuance and full payment, rank equally in all respects with the existing CWG Shares, save and except that the new CWG Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new CWG Shares. The new CWG Shares will be subject to all provision in the Constitution of the Company and Listing Requirements, if any.

#### **2.3.7 Holding of CWG Shares**

The ESOS Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on transfer of CWG Shares to be issued and/ or transferred via treasury shares arising from the exercise of ESOS Options as it deems fit.

#### **2.3.8 Listing of and quotation for the new CWG Shares to be issued arising from the exercise of the ESOS Options**

Bursa Securities had vide its letter dated 22 December 2021, approved the listing of and quotation for such number of new CWG Shares, representing up to 10% of the total number of issued shares of CWG (excluding treasury shares) at any point in time, arising from the exercise of ESOS Option(s) to be granted pursuant to the Proposed ESOS on the Main Market of Bursa Securities.

### **2.3.9 Utilisation of proceeds**

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point of time and the subscription price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of CWG Group, as and when received, within the tenure of the ESOS. As such, the exact timeframe for utilisation of the proceeds is not determinable at this juncture.

The proceeds for working capital will be utilised to finance the Group's day-to-day operations, amongst others, payment to suppliers/ creditors of the Group, general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and any other overhead expenditures.

### **2.3.10 Alteration of share capital during the duration of the Proposed ESOS**

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

- (i) the number of CWG Shares which an Eligible Person shall be entitled to subscribe for upon the exercise of each ESOS Option(s), and/ or
- (ii) the exercise price.

In the event an alteration of share capital of the kind mentioned above occurs, the following shall apply:-

- (i) any adjustment to the exercise price of the ESOS Option(s) shall be rounded up to the nearest one (1) sen; and
- (ii) in determining an Eligible Persons' entitlement to subscribe for CWG Shares, any fractional entitlements will be disregarded.

## **2.4 PROPOSED ALLOCATION**

The Company proposes to allocate ESOS Options to the Executive Directors of the Company, namely the following persons:-

- (i) Ooi Chin Soon; and
- (ii) Tan Hing Ming @ Chin Hing Ming

### 3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

#### 3.1 Proposed Private Placement

After due consideration of the various methods of fund raising, the Board is of the view that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement:-

- (i) enables the Company to raise additional funds without incurring interest costs as compared to conventional bank borrowings;
- (ii) provides the Company with an expeditious way of raising funds from the capital market as opposed to other forms of fund raising; and
- (iii) increases the size and strength of the Company's shareholders' funds.

Further, the Subscription Agreement provides certainty on the Placee (who has been identified upfront) and the placement amount to be raised, thereby giving more assurance to the successful completion of the Proposed Private Placement and the utilisation of proceeds arising therefrom for the intended purposes. Upon completion of the Proposed Private Placement, the Company's enlarged capital base is also expected to further strengthen the financial position of the Company.

For the avoidance of doubt, upon the completion of the Proposed Private Placement, the Subscription Shares and Placement Shares will result in dilution to the Company's existing shareholders' shareholdings due to the increase in the number of Shares pursuant to the Proposed Private Placement. Furthermore, Datuk Hong will emerge as a major shareholder of CWG pursuant to the issuance and allotment of the Subscription Shares to him.

#### 3.2 Proposed Bonus Issue of Warrants

The Board intends to undertake the Proposed Bonus Issue of Warrants to reward the existing shareholders of the Company in the form of Warrants for their loyalty and continued support as the Proposed Bonus Issue of Warrants:-

- (i) serves to reward the shareholders for their continuous support by enabling them to participate in a derivative of the Company without incurring any costs;
- (ii) provides the shareholders an alternative mean to participate and trade in the equity of the Company in addition to the mother share. The shareholders may also benefit from potential capital gain in the event of share price appreciation through the exercise of the Warrants;
- (iii) provides the shareholders an opportunity to further increase their equity participation in the Company by exercising the Warrants at a pre-determined price over the tenure of the Warrants;
- (iv) strengthen the capital base of the Company with the proceeds from the exercise of Warrants, as and when the Warrants are exercised; and
- (v) serves as an appropriate avenue to raise funds as opposed to other fundraising exercises in view that it will progressively raise proceeds as and when the Warrants are exercised to fund the Group's working capital as highlighted in **Section 2.2.5** of this Circular without the need of incurring interest cost as compared to bank borrowings.



### **3.3 Proposed ESOS and Proposed Allocation**

The Proposed ESOS and Proposed Allocation will be implemented and executed in accordance with the Act.

The Proposed ESOS and Proposed Allocation will enable CWG to grant ESOS Options to Eligible Persons and is expected to achieve the following objectives:-

- (i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (ii) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (iii) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of CWG; and
- (iv) to reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of CWG Shares, upon exercising of the ESOS Options.

## **4. FUND RAISING EXERCISES IN THE PAST 12 MONTHS**

For the avoidance of doubt, CWG has not conducted any fund-raising exercises for the past 12 months up to the LPD.

## **5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF THE GROUP**

### **5.1 Overview and outlook of the Malaysian economy**

The Malaysian economy experienced the full adverse impact of the COVID-19 pandemic in 2020, with real gross domestic product ("**GDP**") contracting by 5.6%. However, signs of recovery emerged in late 2020, followed by a significant increase in GDP growth of 16.1% in the second quarter of 2021 compared to a plunge of 17.2% in the corresponding quarter last year. The growth was attributed to the low base effect, recovery in external demand and the gradual reopening of economic sectors amid various Movement Control Orders ("**MCO**") to contain the viral infections. The implementation of eight stimulus and assistance packages totalling RM530 billion since 2020 and 2021 Budget measures to mitigate the impact on households and businesses also contributed to the growth.

The growth momentum is expected to continue in the second half of the year with the implementation of the National Recovery Plan ("**NRP**"), an exit strategy from the health and economic crisis. The NRP entails opening up the economy in stages in line with the progress made in managing the pandemic. The acceleration of the National COVID-19 Immunisation Programme ("**PICK**"), an integral component of the NRP, is expected to enable the economy to fully open in the fourth quarter. With the favourable outlook for the fourth quarter, the economy is expected to grow between 3% – 4% in 2021.

Almost all economic sectors are projected to expand on the supply side, led by the services and manufacturing sectors, accounting for more than 80% of the economy. However, the mining sector is forecast to decline partly due to scheduled maintenance works. The normalisation of economic activities underpinned by mass vaccination is anticipated to boost wholesale and retail trade subsector and domestic tourism-related activities. The projected higher volume of manufactured products is also in line with the expected rising demand from export- and domestic-oriented industries. Positive consumer and business sentiments and expected improvement in earnings will support the recovery in the labour market, albeit at a more modest level than the pre-pandemic period. The continuation of various initiatives to stabilise the labour market and high vaccination rates are expected to provide some relief for employers in retaining their workers. Thus, the nation's GDP is forecast to expand in the range of 5.5% – 6.5% in 2022.

Against the backdrop of global uncertainties amid the COVID-19 outbreak, domestic demand remains resilient and continue to spearhead growth. After registering a contraction of 5.8% in 2020, domestic demand is projected to rebound to 3.1% in 2021, with private and public sectors' expenditure increasing by 3.5% and 1.6%, respectively. The recovery is driven by robust domestic demand performance in the first half of 2021, which expanded by 5% following low base effect in 2020 due to strict containment measures to curb the COVID-19 pandemic. The ongoing stimulus packages and economic assistance, such as Perlindungan Ekonomi dan Rakyat Malaysia (PERMAI), Strategic Programme to Empower the People and Economy ("**PEMERKASA**"), PEMERKASA Plus (PEMERKASA+) and PEMULIH, the gradual reopening of economic sectors and the recovery in external demand are expected to provide a lift to consumer and business sentiments.

Private consumption remained as the significant growth determinant and increased by 4.3% during the first half of 2021 attributable to improvements in disposable income arising from the gradual recovery in the labour market condition, accommodative interest rates, favourable commodity prices as well as ongoing economic stimulus packages and assistance. In the second half of the year, private consumption is projected to increase by 3.9%, following the gradual reopening of economic sectors. Overall, private consumption in 2021 is expected to expand by 4.1% supported mainly by the continued assistance and stimulus measures, such as wage subsidies, Bantuan Prihatin Rakyat (BPR), targeted moratorium, Special COVID-19 Assistance as well as i-Sinar and i-Citra assistance. As at 19 August 2021, RM20.2 billion has been approved for 4.9 million applicants for i-Citra, and RM58.4 billion has been disbursed for 6.6 million applicants for i-Sinar. Furthermore, as at 24 September 2021, RM14.3 billion has been disbursed for the wage subsidy programme, which has benefitted about 3.3 million employees.

The Consumer Price Index (CPI) rose by 2.3% during the first eight months of 2021, and the trend is expected to continue for the rest of the year. Similarly, the core index increased marginally by 0.7% in the same period, indicating sustained domestic demand along with the gradual resumption of economic activities. The reversal from deflation in the previous year was due to higher pump prices of Research Octane Number ("**RON**") 97, RON 95 and diesel, following escalating global crude oil prices, albeit lower electricity charges owing to the bill discounts given under the stimulus packages. Thus, for the whole year of 2021, inflation is expected to register 2.4%.

*(Source: Economic Outlook 2022, Ministry of Finance, Malaysia)*

## 5.2 Overview and outlook of the manufacturing industry

Growth in the manufacturing sector expanded by 26.6% in the second quarter of 2021 (1Q 2021: 6.6%). On a seasonally adjusted, quarter-on-quarter basis however, manufacturing growth declined by 1.5%. This was a result of the imposition of MCO 3.0 which impacted demand domestically for products in the consumer- and construction-related clusters. Demand conditions for export-oriented industry remained resilient amid the continued global tech upcycle and recovery in global growth. Manufacturing growth was further impacted by the FMCO Phase 1, which limited operations to only essential sectors and those in the global value chain.

Manufactured exports increased by 43.6% in the second quarter of 2021 (1Q 2021: 22.7%), supported mainly by non-electrical and electronics ("**E&E**") exports (55.5%, 1Q 2021: 19.0%). This was driven by strong demand for petroleum and chemical products, manufactures of metal and machinery, and equipment and parts. Commodities exports registered a strong rebound (46.3%, 1Q 2021: -6.5%) due mainly to improvement in CPO, LNG and crude petroleum exports.

*(Source: BNM Quarterly Bulletin Vol. 36 No.2, Second Quarter 2021, Bank Negara Malaysia)*

Growth in the manufacturing sector contracted by 2.6% in 2020 (2019: 3.8%) as restriction on operations, supply-chain disruptions and subdued demand conditions weighed on production activities. Nevertheless, the E&E, primary, and consumer-related clusters witnessed a quick rebound in production activity once operating restrictions were lifted towards the end of the second quarter with growth turning positive by the third quarter of 2020. In particular, Malaysia's E&E industry benefited from greater demand associated with remote working, e-commerce, cloud-based services and healthcare products. This led to a surge in global demand for semiconductor equipment in telecommunication, medical devices, and cloud computing, all of which are segments that Malaysia is well plugged-into. Meanwhile, production in the primary and consumer-related clusters was supported by stronger pandemic-induced demand (e.g. rubber gloves, pharmaceuticals) and fiscal support (e.g. SST exemption for purchase of passenger cars).

The manufacturing sector is expected to record robust growth as the COVID-19 pandemic accelerates the structural shifts towards digitalisation, spurring demand for telecommunications, cloud computing and medical device products. Malaysia's E&E cluster will stand to benefit as it is well integrated in these global value chains. Growth in the primary-related cluster is also expected to benefit from increased production of refined petroleum and petrochemical from the large petrochemical facilities in Johor. On the domestic-front, production in the construction-related manufacturing clusters are also expected to be supported by the pick-up in construction of large infrastructure projects. Growth in the consumer-related manufacturing cluster is also expected to improve, in tandem with the recovery in consumption activity, as most major consumer industries and their supply chain are expected to operate, while observing the SOPs. Additionally, the Malaysian Government's extension of tax exemptions for car sales will likely boost support for car production.

Gross imports is projected to rebound to 9.1% in 2021 (2020: -6.3%), driven mainly by a turnaround in intermediate imports in line with higher manufactured exports. Capital import growth is also expected to rebound driven mainly by higher investment in the manufacturing sector as well as the implementation of large scale infrastructure projects. Consumption imports will be driven primarily by demand for imported food and beverages.

*(Source: Economic and Monetary Review 2020, Bank Negara Malaysia)*

### 5.3 Outlook of the stationery and printing materials industry

COVID-19 and MCO have taken a heavy toll on stationers and booksellers, with sales of stationery and books dropping by 50% and 70% respectively. The Sabah Stationery and Booksellers Association president, as well as the Federation of Stationers and Booksellers of Malaysia vice president, Michael Chin Wee Yee has stated that industry players have been facing a drastic drop in revenue for the past year of 2020 due to COVID-19. In light of this, he urged stationers and booksellers to create new avenues, such as venturing into e-commerce or incorporating stationery with other businesses, and explained that in foreign countries, there are cafes targeted at young consumers, students and office workers which allow customers to purchase products or sit down to read. He further stressed that industry players can no longer maintain their traditional way of doing business.

*(Source: Press article titled "Stationery, book sales drop by 50%, 70%", 6 January 2021, <https://www.theborneopost.com/2021/01/06/stationery-book-sales-drop-by-50-70/>)*

Globally, the rise in government expenditure and emphasis on primary education, surge in campaigns and sales promotions, and launch of innovative products drive the growth of the global back-to-school market. Based on type, the stationery segment contributed to the highest share in 2020, accounting for more than two-fifths of the global back-to-school market and is projected to continue its leadership status during the forecast period of 2021 to 2030. Moreover, this segment is estimated to manifest the highest Compound Annual Growth Rate ("CAGR") of 6.5% from 2021 to 2030. This is attributed to the necessity of various stationary products such as pens, pencils, rulers, sharpeners, color pencils, and notebooks across the globe. Based on region, Asia-Pacific, followed by Europe and North America, accounted for the highest market share in 2020, contributing to around two-fifths of the global back-to-school market, and is estimated to maintain its lead position by 2030. Moreover, this region is expected to register the largest CAGR of 6.0% during the forecast period. This is due to huge consumer base and massive opportunities for growth.

*(Source: Press article titled Back-to-school Market to Reach \$131.18 Bn, Globally, by 2030 at 4.8% CAGR: Allied Market Research, 1 December 2021, <https://www.bloomberg.com/press-releases/2021-12-01/back-to-school-market-to-reach-131-18-bn-globally-by-2030-at-4-8-cagr-allied-market-research>)*

Increasing adoption of 3D printing technology across the industries such as medical, industrial, construction, and others is propelling the demand in the market. Driven by this, the market is estimated to expand at over 14% CAGR over the forecast period 2021-2031. Advanced technologies such as 3D printing are extensively finding inroads into the automotive industry owing to its high preferability for mass production and low risk of errors. It is increasingly being used for additive manufacturing of automotive components such as front bumpers, suspension wishbones, ducting, battery covers, and others.

North America is estimated to emerge as the dominant market in terms of region, expanding at 14% CAGR through 2031. Increasing utilization of 3D printing technology for the construction of buildings across the U.S. and Canada is favoring the sales of 3D printing materials. In terms of material-type, metals are projected to remain highly sought-after materials in the market, projecting sales growth by 11.5% year-on-year (YoY) between 2020 and 2021. Surging demand for cobalt-nickel alloys, steel, and titanium in 3D printing owing to their durability, strength, and low carbon emission attributes is driving the growth in the segment.

*(Source: Press article 3D Printing Materials Market to Grow at 14.9% CAGR as Sales in Automotive Sector Increases by 10.1%: FMI, 6 December 2021, <https://www.bloomberg.com/press-releases/2021-12-06/3d-printing-materials-market-to-grow-at-14-9-cagr-as-sales-in-automotive-sector-increases-by-10-1-fmi>)*

## 5.4 Future prospects of the Group

As mentioned in **Section 2.1.6, 2.2.5, and 2.3.9** of this Circular, the gross proceeds raised from the Proposals are mainly intended to fund the working capital requirements of the Group to allow the Group to strengthen its presence in Malaysia and other Asian Countries, Oceania, and Europe. As illustrated in the table below and **Section 2.1.6**, the Group derives a majority of its revenue contributions from the aforesaid regions, and as such the Board believes that by further strengthening the Group's presence in said regions, the Group may possibly have an improved earnings potential moving forward.

	<-----Audited----->											
	FYE 30 2021		June		FYE 30 2020		June		FYE 30 2019		June	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia and other Asian countries	32,128	53.62	51,116	60.20	62,543	61.59	63,533	60.27				
Oceania	12,469	20.81	21,302	25.09	23,536	23.18	23,417	22.21				
Europe	11,564	19.30	9,579	11.28	12,233	12.05	10,834	10.28				
America	3,751	6.26	2,414	2.84	2,981	2.94	2,104	2.00				
Africa	11	0.02	494	0.58	261	0.26	5,528	5.24				

As illustrated in **Section 2.1.6** of this Circular, the Group has undertaken 2 business expansions within its core expertise in the recent months which the Board believes may have the possibility to improve the Group's earnings potential moving forward. The Group launched Campaponline.com in December 2020, which specialises in the distribution of a comprehensive range of paper stationeries under the brand names of CAMPAP, ARTO BY CAMPAP, and FUTURE ACE. The Board believes that in establishing Campaponline.com as an online portal for its sales and marketing, the Group may possibly expand its product reach to the aforesaid regions. Alongside this, Chee Wah Corporation Berhad, a wholly-owned subsidiary of CWG, was appointed in May 2021 as a distributor for Hahnemühle Traditional Fine Art Products for the Distribution Territories. The Hahnemühle products utilise a mixture of old and modern technologies and formulations to produce a variety of papers such as traditional artist papers, fine-art inkjet papers, and speciality papers. The Hahnemühle products are suitable for painting, sketching, classical printing techniques and various artistic application. The Board believes that the introduction of the Hahnemühle products in the Distribution Territories may increase the product offering of the Group and improve brand awareness for the products of the Group.

The Group has also expanded its business operations to include the printing of food and beverages packaging, commercial advertising, medical equipment, electronics and electrical equipment boxes and other consumer goods packaging. To compliment this, the Group has invested in the relevant production equipment and machineries that are largely automated and more advanced. The Board opines that this expansion may have the potential to increase the Group's earning potential as the Group has positioned itself well with the adequate equipment and processes to operate with a high production capacity, efficiency, and comfortable operating margins.

The global outbreak of COVID-19 has impacted the financial performance of the Company for the FYE 30 June 2021. Nevertheless, after a series of stimulus packages implemented by the Government of Malaysia, the recovery in the Malaysian economy as well as manufacturing activities in Malaysia during the first half of 2021 has resulted in the improvement of the economic general sentiment and climate. As highlighted in **Section 5.1** of this Circular, the Malaysian economy expanded by 16.1% in the second quarter of 2021 (1Q 2021: -0.5%), and as shown in **Section 5.2**, the manufacturing industry grew by 26.6% in the second quarter of 2021.

The Board believes that the funds to be raised from the Proposed Private Placement are necessary for the Group to adequately integrate and facilitate the several expansions that the Group has undertaken in recent months. The Board will continue to monitor the status and progress of COVID-19 and will endeavour, to the extent possible, to review the performance and progress of the Group's operations and financial performance, and to introduce measures to minimise the operating costs, where required.

*(Source: Management of CWG)*

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## 6. EFFECTS OF THE PROPOSALS

### 6.1 Issued share capital

The pro forma effects of the Proposals on the issued share capital of CWG are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	126,290,103	63,145,052	126,290,103	63,145,052
Treasury shares	(494,300)	(145,905)	-	-
	<b>125,795,803</b>	<b>62,999,147</b>	<b>126,290,103</b>	<b>63,145,052</b>
Shares to be issued pursuant to the Proposed Private Placement	37,738,740	15,095,496 <sup>*1</sup>	37,887,030	15,154,812 <sup>*1</sup>
	<b>163,534,543</b>	<b>78,094,643</b>	<b>164,177,133</b>	<b>78,299,864</b>
Shares to be issued assuming full exercise of the Warrants	81,767,271	29,027,381 <sup>*2</sup>	82,088,566	29,141,441 <sup>*2</sup>
	<b>245,301,814</b>	<b>107,122,024</b>	<b>246,265,699</b>	<b>107,441,305</b>
Shares to be issued assuming full exercise of ESOS Options	24,530,181	10,204,555 <sup>*3</sup>	24,626,569	10,244,653 <sup>*3</sup>
<b>Enlarged issued share capital</b>	<b>269,831,995</b>	<b>117,326,579</b>	<b>270,892,268</b>	<b>117,685,958</b>

**Notes:-**

<sup>\*1</sup> Computed based on the issue price of RM0.40 per Subscription Share, and illustrative issue price of RM0.40 per Remaining Placement Share

<sup>\*2</sup> Assuming all Warrants are exercised at the illustrative exercise price of RM0.355 per Warrant, being approximately 23.03% discount to the five (5)-day VWAP of CWG Shares up to and including the LPD of RM0.4612 per CWG Share

<sup>\*3</sup> Assuming all ESOS Options are granted and exercised at the illustrative exercise price of RM0.416 per ESOS Option, being approximately 9.80% discount to the five (5)-day VWAP of CWG Shares up to and including the LPD of RM0.4612 per CWG Share

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## 6.2 NA per Share and gearing

Based on the latest audited consolidated financial statements of the Group for the FYE 30 June 2021, the pro forma effects of the Proposals on the NA per Share and gearing of the Group are set out as follows:-

### *Minimum Scenario*

	I	II	III	
	Audited as at FYE 30 June 2021 RM'000	After the Proposed Private Placement <sup>*1</sup> RM'000	After I and assuming the full exercise of the Warrants <sup>*2</sup> RM'000	After I, II and assuming full exercise of ESOS Options <sup>*3</sup> RM'000
Share capital	63,145	78,240	107,267	117,472
Treasury shares	(146)	(146)	(146)	(146)
Capital reserves	164	164	164	164
Retained earnings	20,197	19,927 <sup>*4</sup>	19,927	19,927
<b>Shareholders' equity/ NA</b>	<b>83,360</b>	<b>98,185</b>	<b>127,212</b>	<b>137,417</b>
No. of Shares in issue (‘000)	125,795	163,534	245,301	269,831
NA per Share (RM)	0.66	0.60	0.52	0.51
Total borrowings (RM'000)	5,092	5,092	5,092	5,092
Gearing ratio (times)	0.06	0.05	0.04	0.04

#### **Notes:-**

<sup>\*1</sup> After adjusting for the issuance of 25,258,020 Subscription Shares at RM0.40 per Subscription Share pursuant to the Proposed Private Placement and 12,480,720 Remaining Placement Shares at RM0.40 per Remaining Placement Share pursuant to the Proposed Private Placement

<sup>\*2</sup> Assuming 81,767,271 Warrants are issued and exercised at the illustrative exercise price of RM0.355 per Warrant, being approximately 23.03% discount to the five 5-day VWAP of CWG Shares up to and including the LPD of RM0.4612 per CWG Share

<sup>\*3</sup> Assuming 24,530,181 ESOS Options are exercised at the illustrative exercise price of RM0.416 per ESOS Option, being approximately 9.80% discount to the 5-day VWAP of CWG Shares up to and including the LPD of RM0.4612 per CWG Share

<sup>\*4</sup> After deducting estimated expenses of RM270,000 in relation to the Proposals

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## Maximum Scenario

	I	II	III	IV
	After treasury shares are resold <sup>*1</sup>	After I and the Proposed Private Placement <sup>*2</sup>	After I, II and assuming the full exercise of the Warrants <sup>*3</sup>	After I, II, III and assuming full exercise of ESOS Options <sup>*4</sup>
	RM'000	RM'000	RM'000	RM'000
Audited as at FYE 30 June 2021				
Share capital	63,145	78,300	107,441	117,686
Treasury Shares	(146)	-	-	-
Capital reserves	164	164	164	164
Retained earnings	20,197	19,927 <sup>*5</sup>	19,927	19,927
<b>Shareholders' equity/ NA</b>	<b>83,360</b>	<b>98,391</b>	<b>127,532</b>	<b>137,777</b>
No. of Shares in issue ('000)	125,796	164,176	246,264	270,891
NA per Share (RM)	0.66	0.60	0.52	0.51
Total borrowings (RM'000)	5,092	5,092	5,092	5,092
Gearing ratio (times)	0.06	0.05	0.04	0.04

### Notes:-

<sup>\*1</sup> Assuming 494,300 treasury shares are resold

<sup>\*2</sup> After adjusting for the issuance of 25,258,020 Subscription Shares at RM0.40 per Subscription Share pursuant to the Proposed Private Placement and 12,629,010 Remaining Placement Shares at RM0.40 per Remaining Placement Share pursuant to the Proposed Private Placement

<sup>\*3</sup> Assuming 82,088,566 Warrants are issued and exercised at the illustrative exercise price of RM0.355 per Warrant, being approximately 23.03% discount to the 5-day VWAP of CWG Shares up to and including the LPD of RM 0.4612 per CWG Share

<sup>\*4</sup> Assuming 24,626,569 ESOS Options are exercised at the illustrative exercise price of RM0.416 per ESOS Option, being approximately 9.80% discount to the 5-day VWAP of CWG Shares up to and including the LPD of RM0.4612 per CWG Share

<sup>\*5</sup> After deducting estimated expenses of RM270,000 in relation to the Proposals

The Proposed ESOS is not expected to have any immediate effect on the NA per Share of the Group until such time when CWG Shares are issued and/ or transferred via treasury shares pursuant to the exercise of ESOS Options. The effects of the Proposed ESOS on the Group's NA would depend on factors such as the number of ESOS Options granted and the fair value of the ESOS Options after taking into account, amongst others, the exercise price of the ESOS Options as well as any vesting conditions. Whilst the granting of ESOS Options under the Proposed ESOS is expected to result in recognition of a charge in the statement of comprehensive income of the Group pursuant to the MFRS 2 as issued by the Malaysian Accounting Standards Board, the recognition of such MFRS 2 charge would not affect the Group's NA as the corresponding amount will be classified as an equity compensation reserve which forms part of the shareholders' equity.

For clarification, the fair value of the ESOS Options will be determined after taking into consideration, amongst others, the historical volatility of CWG Shares, the risk-free rate, the exercise price of the ESOS Options and time to maturity of the ESOS Options from the vesting date of the ESOS Options.

If none of the granted ESOS Options are exercised within the duration of the Proposed ESOS, the amount outstanding in the said equity reserve would be transferred into the CWG's retained earnings. On the other hand, if the granted ESOS Options are exercised, the amount outstanding in the said equity reserve would be transferred into CWG's share capital account.

The NA per Share of the Group following the exercise of ESOS Options will increase if the exercise price of the ESOS Options exceeds the consolidated NA per Share at the point of exercise of the ESOS Options and conversely will decrease if the exercise price of the ESOS Options is below the consolidated NA per Share at the point of exercise of the ESOS Options.

The Proposed ESOS is not expected to have an immediate effect on the Group's gearing level until such time when any ESOS Options granted are exercised. The effect on the gearing will depend on changes in the NA, which in turn is dependent on the actual number of CWG Shares to be issued and/ or transferred via treasury shares as well as the exercise price of the ESOS Options payable upon the exercise of the ESOS Options.

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### 6.3 Substantial shareholding structure

For information purposes, the Proposals may have a dilutive effect on the Company's existing shareholders' shareholdings. However, the Proposals are expected to enlarge the share capital of the Company and increase its shareholders' funds. The pro forma effects of the Proposals on the substantial shareholders' shareholdings of the Company as at the LPD are set out below:-

#### Minimum Scenario

Substantial shareholders	Shareholdings as at the LPD			After the Proposed Private Placement		
	Direct<----->	Indirect<----->	%	Direct<----->	Indirect<----->	%
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Ooi Chin Soon	29,100,000	-	23.13	-	29,100,000	17.79
ANB Equity Sdn Bhd	12,874,500	-	10.23	-	12,874,500	7.87
Khor Say Khai Holdings Berhad	7,730,000	-	6.14	-	7,730,000	4.73
Khor Wan Tat	1,008,700	7,730,000 <sup>2</sup>	0.80	1,008,700	7,730,000 <sup>2</sup>	0.62
Khor Lay Wei	21,000	7,730,000 <sup>2</sup>	0.02	21,000	7,730,000 <sup>2</sup>	0.01
Lai Tjhin Tjhin	-	12,874,500 <sup>3</sup>	-	-	12,874,500 <sup>3</sup>	-
Lim Kam Seng	6,892,800	-	5.48	6,892,800	-	4.21
Datuk Hong	-	-	-	25,258,020 <sup>1</sup>	-	15.45

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Substantial shareholders	II After I and assuming the full exercise of the Warrants		III After I, II, and assuming the full exercise of ESOS Options <sup>4</sup>	
	Direct	Indirect	Direct	Indirect
	No. of Shares	%	No. of Shares	%
Ooi Chin Soon	43,650,000	17.79	-	-
ANB Equity Sdn Bhd	19,311,750	7.87	-	-
Khor Say Khai Holdings Berhad	11,595,000	4.73	-	-
Khor Wan Tat	1,513,050	0.62	11,595,000 <sup>2</sup>	4.73
Khor Lay Wei	31,500	0.01	11,595,000 <sup>2</sup>	4.73
Lai Tjhin Tjhin	-	-	19,311,750 <sup>3</sup>	7.87
Lim Kam Seng	10,339,200	4.21	-	-
Datuk Hong	37,887,030	15.45	-	-

**Notes:-**

- <sup>1</sup> Pursuant to the Subscription Agreement, the Placee will become a substantial shareholder of the Company
- <sup>2</sup> Deemed interest by virtue of his/her interest in Khor Say Khai Holdings Sdn Bhd ("KSKHSB"), he/she is deemed interested in the shares of the Company to the extent that KSKHSB has an interest
- <sup>3</sup> Deemed interest by virtue of her interest in ANB Equity Sdn Bhd ("ANBESB"), she is deemed interested in the shares of the Company to the extent that ANBESB has an interest
- <sup>4</sup> For clarification purposes, the pro forma effects above have not taken into consideration any ESOS Options that may be granted to Ooi Chin Soon, who is also an Eligible Persons for the Proposed ESOS. The illustration above is set out purely to show the dilutive effects of the Proposed ESOS on the substantial shareholders' shareholdings based on the enlarged issued shares of CWG pursuant to the Proposed ESOS

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**Maximum Scenario**

Substantial shareholders	I				After treasury shares are resold			
	Shareholdings as at the LPD				Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ooi Chin Soon	29,100,000	23.13	-	-	29,100,000	23.04	-	-
ANB Equity Sdn Bhd	12,874,500	10.23	-	-	12,874,500	10.19	-	-
Khor Say Khai Holdings Berhad	7,730,000	6.14	-	-	7,730,000	6.12	-	-
Khor Wan Tat	1,008,700	0.80	7,730,000 <sup>2</sup>	6.14	1,008,700	0.80	7,730,000 <sup>2</sup>	6.12
Khor Lay Wei	21,000	0.02	7,730,000 <sup>2</sup>	6.14	21,000	0.02	7,730,000 <sup>2</sup>	6.12
Lai Tjhin Tjhin	-	-	12,874,500 <sup>3</sup>	10.23	-	-	12,874,500 <sup>3</sup>	10.19
Lim Kam Seng	6,892,800	5.48	-	-	6,892,800	5.46	-	-
Datuk Hong	-	-	-	-	-	-	-	-

Substantial shareholders	II				III			
	After I and the Proposed Private Placement				After I, II, and assuming full exercise of the Warrants			
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ooi Chin Soon	29,100,000	17.72	-	-	43,650,000	17.72	-	-
ANB Equity Sdn Bhd	12,874,500	7.84	-	-	19,311,750	7.84	-	-
Khor Say Khai Holdings Berhad	7,730,000	4.71	-	-	11,595,000	4.71	-	-
Khor Wan Tat	1,008,700	0.61	7,730,000 <sup>2</sup>	4.71	1,513,050	0.61	11,595,000 <sup>2</sup>	4.71
Khor Lay Wei	21,000	0.01	7,730,000 <sup>2</sup>	4.71	31,500	0.01	11,595,000 <sup>2</sup>	4.71
Lai Tjhin Tjhin	-	-	12,874,500 <sup>3</sup>	7.84	-	-	19,311,750 <sup>3</sup>	7.84
Lim Kam Seng	6,892,800	4.20	-	-	10,339,200	4.20	-	-
Datuk Hong	25,258,020 <sup>1</sup>	15.38	-	-	37,887,030	15.38	-	-

IV

After I, II, III and assuming full exercise of the ESOS Options<sup>4</sup>

Substantial shareholders	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
Ooi Chin Soon	43,650,000	16.11	-	-
ANB Equity Sdn Bhd	19,311,750	7.13	-	-
Khor Say Khai Holdings Berhad	11,595,000	4.28	-	-
Khor Wan Tat	1,513,050	0.56	11,595,000 <sup>2</sup>	4.28
Khor Lay Wei	31,500	0.01	11,595,000 <sup>2</sup>	4.28
Lai Tjhin Tjhin	-	-	19,311,750 <sup>3</sup>	7.13
Lim Kam Seng	10,339,200	3.82	-	-
Datuk Hong	37,887,030	13.99	-	-

**Notes:-**

<sup>1</sup> Pursuant to the Subscription Agreement, the Placee will become a substantial shareholder of the Company

<sup>2</sup> Deemed interest by virtue of his/her interest in KSKHSB, he/she is deemed interested in the shares of the Company to the extent that KSKHSB has an interest

<sup>3</sup> Deemed interest by virtue of her interest in ANBESB, she is deemed interested in the shares of the Company to the extent that ANBESB has an interest

<sup>4</sup> For clarification purposes, the pro forma effects above have not taken into consideration any ESOS Options that may be granted to Ooi Chin Soon, who is also an Eligible Persons for the Proposed ESOS. The illustration above is set out purely to show the dilutive effects of the Proposed ESOS on the substantial shareholders' shareholdings based on the enlarged issued shares of CWG pursuant to the Proposed ESOS

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## **6.4 Earnings and earnings per share ("EPS")**

### **6.4.1 Proposed Private Placement**

The Proposed Private Placement is expected to contribute positively to the future earnings of the Group via the utilisation of proceeds as set out in **Section 2.1.6** of this Circular.

Subsequent to the completion of the Proposed Private Placement, the EPS will be correspondingly diluted due to the increase in the number of Shares pursuant to the Proposed Private Placement.

The potential effects of the Proposed Private Placement on the Group's earnings moving forward will depend on, amongst others, the benefits to be derived from the utilisation of the proceeds to be raised from the Proposed Private Placement. In turn, this would depend on the performance of the Group's business, which is expected to contribute positively to the future earnings of the Group.

### **6.4.2 Proposed Bonus Issue of Warrants**

The Proposed Bonus Issue of Warrants is not expected to have any material effect on the Group's earnings. However, as and when the Warrants are exercised into new Shares, it will result in a corresponding dilution in the EPS due to the increase in the number of Shares.

The potential effect of the Proposed Bonus Issue of Warrants on the future earnings and EPS will depend on, amongst others, the number of Shares issued pursuant to the number of Warrants exercised at any point in time, the exercise price of the Warrants and the potential benefits to be derived from the utilisation of proceeds.

Although the EPS shall be correspondingly diluted as a result of the increase in the number of Shares, the Proposed Bonus Issue of Warrants is expected to contribute positively to the Group's earnings thereafter through the utilisation of proceeds.

### **6.4.3 Proposed ESOS**

The Proposed ESOS is not expected to have any material effect on the Group's earnings until such time when the ESOS Options are granted and exercised.

Any potential effect on the EPS in the future will depend on the number of ESOS Options granted and exercised, the exercise price, and the non-cash expenses arising from the granting of the ESOS Options under MFRS 2.

The quantum of such impact cannot be determined at this juncture as it will be measured at the date of granting the ESOS Options based on, amongst others, the share price volatility, risk-free interest rate and pricing model. The fair value of the ESOS Options will be recognised as an expense in the profit or loss accounts of the Group over the vesting period of such ESOS Options. However, it should be noted that the estimated cost does not represent a cash outflow by the Group as it is merely an accounting treatment.

The Board takes note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration such impact in the allocation and granting of ESOS Options to Eligible Persons.

## 6.5 Convertible securities

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

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of CWG Shares traded on Bursa Securities for the past 12 months from January 2021 to December 2021 are set out below:-

	High RM	Low RM
<b>2021</b>		
January	0.460	0.330
February	0.445	0.360
March	0.425	0.340
April	0.430	0.370
May	0.430	0.385
June	0.410	0.355
July	0.700	0.350
August	0.575	0.390
September	0.465	0.390
October	0.455	0.385
November	0.505	0.390
December	0.530	0.435
Last transacted market price of CWG Shares as at 21 October 2021 (being the latest trading day prior to the announcement on the Proposals)		0.400
Last transacted market price on the LPD		0.470

(Source: Bloomberg)

## 8. APPROVALS REQUIRED

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

- (i) Bursa Securities, for the following:
  - a. listing of and quotation for the Placement Shares;
  - b. admission of the Warrants to the Official List and listing of and quotation for the Warrants;
  - c. listing of and quotation for the new Shares to be issued arising from the exercise of the Warrants; and
  - d. listing of and quotation for such number of new Shares, representing up to 10% of the total number of issued Shares (excluding treasury shares, if any), to be issued pursuant to the Proposed ESOS

the approval of which has been obtained vide its letter dated 22 December 2021 subject to the following conditions:-



Conditions	Status of compliance
(a) CWG and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
(b) CWG is required to furnish Bursa Securities with certified true copy of the resolutions passed by the shareholders at the extraordinary general meeting approving the Proposals;	To be complied
(c) CWG and UOBKH are required to inform Bursa Securities upon completion of the Proposals;	To be complied
(d) CWG is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;	To be complied
(e) UOBKH is required to furnish Bursa Securities with details of the places in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement;	To be complied
(f) UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation;	To be complied
(g) CWG and UOBKH are required to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements; and	To be complied
(h) Payment of additional listing fees pertaining to the exercise of Warrants and exercise of ESOS Options, if relevant. In this respect, CWG is required to furnish Bursa Securities on a quarterly basis a summary of the total number of new shares listed pursuant to the exercise of Warrants and exercise of ESOS Options respectively as at the end of each quarter together with a detailed computation of the listing fees payable.	To be complied
(ii) the approval of the shareholders at an EGM of the Company to be convened; and	
(iii) the approvals / consents of any other relevant authorities and/or parties, if required	

## 9. CONDITIONALITY OF THE PROPOSALS

Save for the Proposed Allocation, which is conditional upon the Proposed ESOS, the Proposals are not inter conditional upon each other.

The Proposals are not conditional upon any other corporate exercise/ scheme being or proposed to be undertaken by the Company.

It is the intention of the Board to implement the Proposed Private Placement first, followed by the implementation of the Proposed Bonus Issue of Warrants and thereafter, the Proposed ESOS together with the Proposed Allocation.

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

### **10.1 Proposed Private Placement**

None of the directors and/ or major shareholders, chief executive of CWG and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.

### **10.2 Proposed Bonus Issue of Warrants**

None of the directors, major shareholders, chief executive of CWG and/ or persons connected with them has any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of CWG under the Proposed Bonus Issue of Warrants, which are also available to all other shareholders of the Company on a pro-rata basis.

### **10.3 Proposed ESOS and Proposed Allocation**

None of the directors, major shareholders, chief executive of CWG and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed ESOS and Proposed Allocation, save for the following:

All Executive Directors are eligible to participate in the Proposed ESOS, and are therefore deemed interested to the extent of their respective proposed allocation, and the proposed allocations of persons connected to them, if any, under the Proposed ESOS. Notwithstanding that, all Directors have deliberated on the Proposed ESOS, and have agreed to present the Proposed ESOS to the shareholders for their consideration and approval.

All Executive Directors have and will continue to abstain from all Board deliberations and voting in respect of their respective proposed allocation, and the proposed allocations of persons connected to them under the Proposed ESOS, if any, at the relevant Board meetings. The Directors who are deemed persons connected to Eligible Persons under the Proposed ESOS, if any, have and will continue to abstain from all Board deliberations and voting in respect of the proposed allocations of persons connected to them under the Proposed ESOS, if any, at the relevant Board meetings.

All Executive Directors will abstain from voting in respect of their direct and/or indirect shareholdings, if any, at a general meeting to be convened in respect of the ordinary resolutions to be tabled for their respective proposed allocation as well as the proposed allocations to the persons connected to them, if any, under the Proposed ESOS to be tabled at a general meeting to be convened.

All Executive Directors will undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and / or indirect shareholdings, if any, on the ordinary resolutions pertaining to their respective proposed allocations, and the proposed allocations to the persons connected to them, if any, to be tabled at a general meeting to be convened. The Directors who are deemed persons connected to Eligible Persons under the Proposed ESOS, if any, have and will continue to abstain from voting in respect of the ordinary resolutions to be tabled for the proposed allocations of persons connected to them under the Proposed ESOS, if any, to be tabled at a general meeting to be convened.

The Interested Major Shareholder will abstain from voting in respect of his direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the proposed allocation to himself, as well as the proposed allocations to the persons connected to him under the Proposed ESOS, if any, to be tabled at an EGM of the Company to be convened. The Interested Major Shareholder will also undertake to ensure that persons connected to him, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the proposed allocation to the Interested Major Shareholder and the proposed allocations to the persons connected to him under the Proposed ESOS, if any, to be tabled at an EGM of the Company to be convened.

For the avoidance of doubt, as at the LPD none of the Executive Directors or the Interested Major Shareholder have persons connected to them who are also Eligible Persons under the Proposed ESOS.

The direct and indirect shareholdings of the Executive Directors of CWG and Interested Major Shareholder as at the LPD are set out as follows:-

Name	Designation	Nationality	<-----Direct----->		<-----Indirect----->	
			No. of shares	%	No. of shares	%
<b>Executive Directors of CWG</b>						
Ooi Chin Soon	Executive Deputy Chairman	Malaysian	29,100,000	23.13	-	-
Tan Hing Ming @ Chin Hing Ming	Group Managing Director	Malaysian	-	-	-	-
<b>Interested Major Shareholder of CWG</b>						
Ooi Chin Soon	Executive Deputy Chairman	Malaysian	29,100,000	23.13	-	-

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

## 11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Private Placement, Proposed Bonus Issue of Warrants, and Proposed ESOS, including the rationale and justification and the effects of the abovementioned, is of the opinion that the Proposals are in the best interest of the Company. Accordingly, the Board recommends that you **VOTE IN FAVOUR** for the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

The Board, save for the Executive Directors, recommends that you **VOTE IN FAVOUR** for the resolutions pertaining to the Proposed Allocation to be tabled at the forthcoming EGM.

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

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

The tentative timetable for the implementation of the Proposals is set out below:-

Date	Events
25 January 2022	<ul style="list-style-type: none"><li>• Convening of EGM for the Proposals</li></ul>
Mid February 2022	<ul style="list-style-type: none"><li>• Implementation of the Proposed Private Placement</li><li>• Listing and quotation for the Placement Shares on the Main Market of Bursa Securities</li><li>• Completion of the Proposed Private Placement</li></ul>
Mid March 2022	<ul style="list-style-type: none"><li>• Implementation of the Proposed Bonus Issue with Warrants</li><li>• Execution of the Deed Poll</li><li>• Listing and quotation for the Warrants on the Main Market of Bursa Securities</li><li>• Completion of the Proposed Bonus Issue of Warrants</li></ul>
Second quarter of 2022	<ul style="list-style-type: none"><li>• Implementation of the Proposed ESOS</li></ul>

## 13. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals (being subject matters of this Circular), the Board confirms that there are no other outstanding proposals which have been announced but not yet completed as at the date of this Circular.

## 14. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at The Light Hotel, Lebuhraya Tengah 2, Bandar Seberang Jaya, 13700 Seberang Jaya, Penang on Tuesday, 25 January 2022, at 11.00 am for the purpose of considering and, if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend, participate, speak and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be lodged at the registered office of the Company at 6428, Lorong Mak Mandin Tiga, Mak Mandin Industrial Estate, 13400 Butterworth, Penang not less than 48 hours before the stipulated time for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the EGM, should you subsequently wish to do so.

## 15. FURTHER INFORMATION

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

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

**DATO' MOHD. JUNID BIN MOHD. NOOR @ MD NOOR**  
Independent Non-Executive Chairman

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## APPENDIX I – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

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The following is a summary of the salient terms of the Subscription Agreement

### 1. Subscription Shares and Subscription Price

Subject to the terms and conditions of the Subscription Agreement, CWG agrees to allot and issue to the Placee and the Placee agree to subscribe for the Subscription Shares at the Subscription Price.

### 2. Conditions Precedent

Issuance and allotment of the Subscription Shares are conditional on the following:

- (i) CWG obtaining the approval of its shareholders for the issuance and allotment of the Subscription Shares; and
- (ii) CWG obtaining the approval-in-principle of Bursa Securities for the listing and quotation of the Subscription Shares on the Main Market of Bursa Securities.

The conditions precedent of the Subscription Agreement shall be satisfied within 3 months from the date of the Subscription Agreement with an automatic extension of a further 3 months if the conditions precedent shall not have been satisfied by the expiry of the aforesaid initial 3-month period ("**Placement Cut-Off Date**"). Thereafter, CWG and the Placee may (before or on expiry of the Placement Cut-Off Date) have an extension(s) of time as may be agreed between CWG and the Placee to comply with the conditions precedent of the Subscription Agreement. If the condition precedent of the Subscription Agreement have not been fulfilled on the expiry of the Placement Cut-Off Date or such extension of time agreed between CWG and the Placee and CWG does not waive the fulfilment of the same, then the Subscription Agreement shall lapse and cease to have any further force or effect and neither CWG nor the Placee shall have any further rights against the other(s).

The Subscription Agreement shall become unconditional on the date of which the last of the condition precedent for the Subscription Agreement is fulfilled or obtained.

### 3. Completion and payment

Within 5 business days from the date the Subscription Agreement becomes unconditional, the Placee shall:

- (i) deposit with the Placement Agent, namely UOBKH, the Subscription Price by way of telegraphic transfer to a bank account nominated by the Placement Agent and notified to CWG and Placee at least 5 business days prior to the date the payment for the Subscription Price was made; and
- (ii) notify CWG in writing of the details of his stockbrokers and the particulars of the securities account into which the Subscription Shares are to be credited.

Upon the Placement Agent receiving the Subscription Price and within 5 business days from the payment for the Subscription Price was made:

- (i) the Placement Agent shall confirm to CWG of such receipt;
- (ii) CWG shall allot and issue the Subscription Shares to the Placee;
- (iii) CWG shall deliver or caused to be delivered to Bursa Depository the share certificates for the Subscription Shares registered in the name of Bursa Depository; and

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**APPENDIX I – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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- (iv) CWG shall instruct and procure Bursa Depository to credit the securities account of the Placee with the Subscription Shares.

Completion shall take place on the listing date of the Subscription Shares on the Main Market of Bursa Securities, and on such event, the Placement Agent is authorised by CWG and the Placee to release the Subscription Price to CWG.

**4. Default**

In the event the Placee shall for any reason fail or refuse to complete the subscription of the Subscription Shares under the terms of the Subscription Agreement or the Placee fail to comply with all the obligations or stipulations contained or defaults in the Subscription Agreement and does not remedy the same to the satisfaction of CWG within 14 days from the date of receipt of written notice by CWG or such breach is not waived by CWG at its absolute discretion, CWG shall be entitled to, without prejudice to its other rights and remedies including its right to sue for (i) specific performance of the Subscription Agreement upon the terms in the Subscription Agreement as may be available under law; or (ii) terminate the Subscription Agreement and recover all amounts actually paid and expanded pursuant to or arising from the Subscription Agreement.

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**APPENDIX II – INDICATIVE SALIENT TERMS OF THE DEED POLL**

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The following is a summary of the indicative salient terms of the Deed Poll:-

<b>Issue size</b>	:	Up to 82,088,566 Warrants
<b>Form</b>	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
<b>Exercise period</b>	:	The period commencing on and including the date of issuance of the Warrants and ending at the close of business at 5.00 p.m. in Kuala Lumpur, on the date preceding the 5 <sup>th</sup> anniversary of the date of issuance, or if such is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day (" <b>Exercise Period</b> ").
<b>Mode of exercise</b>	:	The registered holder of the Warrant is required to lodge an exercise form, as set out in the Deed Poll, with the Company's registrar, duly completed and signed together with payment of the exercise price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia or by way of internet bank transfer or via online payment gateway in accordance with the Deed Poll.
<b>Exercise price</b>	:	The exercise price of the Warrants will be determined at a later date by the Board upon receipt of all relevant approvals but prior the announcement of the Entitlement Date. The exercise price during the exercise period shall however be subject to adjustments under circumstances prescribed in the Deed Poll.
<b>Exercise rights</b>	:	The rights conferred on a Warrant holder to subscribe for 1 new CWG Share for each Warrant at any time during the Exercise Period and at the exercise price subject to the Deed Poll.
<b>Board lot</b>	:	For the purposes of trading on the Bursa Securities, board lot for the Warrants shall be 100 Warrants each carrying the rights to subscribe for 100 new Shares at any time during the exercise period or in such other denominations permitted by Bursa Securities.
<b>Participating rights of the holders of Warrants in any distribution and/ or offer of further securities</b>	:	The Warranholders are not entitled to vote in any general meeting of CWG and/or to participate in any distribution other than on winding-up, compromise or arrangement of CWG and/ or offer of further securities in CWG unless and until the Warrant Holders becomes a shareholder of CWG by exercising his/her Warrants into new CWG Shares or unless otherwise resolved by CWG in a general meeting.
<b>Adjustments in the exercise price and/ or number of Warrants</b>	:	The exercise price and/ or the number of Warrants held by each Warranholder shall from time to time be adjusted in accordance with the provisions of the Deed Poll by the Directors in consultation with an approved adviser appointed by the Company and certified by the auditors or advisers to be in accordance with the provisions of the Deed Poll.

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

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<b>Rights in the event of winding-up, liquidation, compromise and/ or arrangement</b>	<p>: Where a resolution has been passed for a members' voluntary winding up of the Company, or where there is a scheme of compromise or arrangement under Section 366 of the Act (whether or not for the purpose of or in connection with the amalgamation of the Company with one or more companies) then:-</p> <p>(i) if such winding up, compromise or arrangement has been approved by the Warrantheolders by way of a special resolution, the terms of such winding up, compromise or arrangement shall be binding on all the Warrantheolders; and</p> <p>(ii) in any other case, every Warrantheolder shall be entitled upon and subject to the conditions of the Deed Poll 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 after the granting of the court order approving the compromise or arrangement (but in both cases, not later than the end of the exercise period), by irrevocable surrender on a Market Day of his/her Warrants to the Company with the exercise form(s) duly completed, together with payment of the relevant exercise price and otherwise in accordance with the Deed Poll, to elect to be treated as if he/she had immediately prior to the commencement of such winding up, compromise or arrangement, exercised the exercise rights represented by such Warrants to the extent specified in the exercise form and be entitled to receive out of the assets of the Company which would be available in liquidation if he/she had on such date been the holder of the new Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.</p> <p>If the Company is wound up by way of members' voluntary winding up or an order has been granted for such compromise or arrangement, all exercise rights which have not been exercised within 6 weeks after the passing of such a resolution or of the court order, shall lapse and the Warrants will cease to be valid for any purpose.</p> <p>If the Company is wound up (other than by way of a members' voluntary winding up), all exercise rights which have not been exercised prior to the date of commencement of the winding up shall lapse and the Warrants will cease to be valid for any purpose.</p>
<b>Ranking of the new CWG Shares to be issued pursuant to the exercise of Warrants</b>	<p>: The new CWG Shares to be issued arising from the exercise of the Warrants, shall upon allotment and issue rank pari passu in all respects with the existing CWG Shares, save and except that the new CWG Shares will not be entitled to any dividend, right, allotment and/ or any other forms of distribution where the entitlement date of such dividend, right, allotment and/ or other forms of distribution precedes the relevant date of allotment and issuance of the new CWG Shares.</p>
<b>Listing status</b>	<p>: The Warrants and new CWG Shares to be issued from the exercise of the Warrants will be listed on the Main Market of Bursa Securities.</p>



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

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<b>Modifications</b>	:	<p>The Company may, from time to time, subject to the terms and conditions of the Deed Poll, without the consent or sanction of the warrant holders, modify, amend or add to the Deed Poll, if such modification, amendment or addition made does not materially prejudice the interests of the Warrant holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia.</p> <p>Save for the above, any modification, amendment, deletion or addition to the Deed Poll shall require the approval of the holders of Warrants sanctioned by special resolution and may be effected only by the Deed Poll, executed by the Company and expressed to be supplemental hereto and subject to the approval of the relevant authorities, if necessary.</p>
<b>Governing law</b>	:	<p>Laws of Malaysia.</p>

**BYLAWS OF CWG HOLDINGS BERHAD  
EMPLOYEES' SHARE OPTION SCHEME 2022**

**1. DEFINITIONS AND INTERPRETATIONS**

1.1 Except where the context otherwise requires, the following expression in these Bylaws shall have the following meanings:

<b>Act</b>	:	The Companies Act, 2016, as amended from time to time and all regulations made thereunder and any re-enactment thereof;
<b>Authorised Nominee</b>	:	A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository;
<b>Available Balance</b>	:	The unissued CWG Shares which is available for Offer of Options subject to the maximum limit as set out in Bylaw 3.1 and after deducting all CWG Shares under Options which have been granted;
<b>Board</b>	:	Board of Directors of CWG, as may be constituted from time to time;
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W));
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577(635998-W));
<b>Bylaws</b>	:	The terms and conditions of the Scheme as set out herein, and shall include any amendments or variations made thereto from time to time;
<b>CDS</b>	:	Central Depository System governed under the Central Depositories Act;
<b>CDS Account</b>	:	The account established by Bursa Depository for a Depositor for the recording of deposits of securities and dealings in such securities by the Depositors;
<b>Central Depositories Act</b>	:	The Securities Industry (Central Depositories) Act 1991, as amended from time to time and all regulations made thereunder and any re-enactment thereof;
<b>Constitution</b>	:	the constitution of the Company or by such other names so called, as amended from time to time;
<b>CWG Company</b>	or	<b>CWG HOLDINGS BERHAD</b> (Registration No. 201601035444 (1206385-W));
<b>CWG Group</b>	or	CWG and its Subsidiaries, collectively, except for dormant Subsidiaries;
<b>CWG Share(s)</b>	:	Ordinary share(s) in CWG;
<b>Date of Expiry</b>	:	The last day of the duration of this Scheme pursuant to Bylaw 4.1 hereof unless earlier terminated pursuant to Bylaw 4.3. If such date is not a market day, then it shall be the market day immediately preceding the said non-market day, but excluding those days during that period on which the Record of Depositors and/or the register of options is or are closed;
<b>Depositor</b>	:	A holder of a CDS Account;

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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<b>Director</b>	:	A natural person who holds a directorship in an executive capacity in any corporation in the CWG Group, and shall have the meaning given in Section 2(1) of the Capital Markets & Services Act 2007;
<b>Effective Date</b>	:	The date for the implementation of the Scheme being the date of full compliance with all relevant requirements of Chapter 6 of the Main Market Listing Requirements including the approvals and/or conditions referred to in Bylaw 4.1 hereof have been obtained and/or complied with;
<b>Eligible Person(s)</b>	:	An Employee(s) and/or Director(s) of the CWG Group, who meets the criteria of eligibility for participation in the Scheme as set out in Bylaw 6 hereof;
<b>Employee</b>	:	A natural person who is employed by and on the payroll of any corporation in the CWG Group, including Director(s) and person(s) recruited under contracts of employment within the CWG Group;
<b>Entitlement Date</b>	:	The date as at the close of business on which the names of the Shareholders must appear on CWG's record of depositors maintained at Bursa Depository in order to participate in any dividends, rights, interests, allotments or other distributions;
<b>ESOS</b>	:	Employee share option scheme;
<b>ESOS Committee</b>	:	The committee, from time to time, duly appointed and authorised by the Board pursuant to Bylaw 17 to administer the Scheme in accordance with these Bylaws;
<b>Exercise Period</b>	:	The specific period or periods within an Option Period during which Options may be exercised by Grantees, as determined by the ESOS Committee subject to Bylaw 10 hereof;
<b>Exercise Price</b>	:	The price at which the Grantee shall pay for every CWG Share by exercising his/her Option as determined in accordance with Bylaw 9 hereof;
<b>Government</b>	:	The Government of Malaysia;
<b>Grantee</b>	:	Any Eligible Person who has accepted the Offer by the Company in accordance with the terms and conditions of the Scheme and "Grantees" or "Grantee(s)" refers to any one or more of them;
<b>Main Market Listing Requirements</b>	:	The Main Market Listing Requirements of Bursa Securities;
<b>Market Day(s)</b>	:	Any day(s) from Mondays to Fridays (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading in securities;
<b>Maximum Allowable Allotment</b>	:	The maximum number of CWG Shares that can be offered to an Eligible Person falling within a particular category of Eligible Person as stipulated in Bylaw 7 hereof;
<b>Offer(s)</b>	:	Offer made in writing by the ESOS Committee to a selected Eligible Person in the manner indicated in Bylaw 5 hereof;

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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<b>Offer Date</b>	:	The date of the Offer Letter from the ESOS Committee, on which an Offer is made to a selected Eligible Person to participate in the Scheme;
<b>Offer Letter</b>	:	The Offer made by the ESOS Committee in writing to the selected Eligible Person to participate in the Scheme;
<b>Option</b>	:	The right of a Grantee to subscribe for CWG Share(s) (whether by way of issuance of new CWG Shares and/or transfer of treasury shares by CWG) pursuant to the contract constituted by the selected Eligible Person's acceptance of an Offer in the manner indicated in Bylaw 8 hereof and "Options" or "Option(s)" refer to any one or more of such right;
<b>Option Period</b>	:	A period commencing from the date an Offer is accepted in accordance with Bylaw 8 and expiring on the Date of Expiry or such other date which the ESOS Committee may in its discretion decide, provided that no Option Period shall extend beyond the Date of Expiry;
<b>Person connected</b>	:	Has the meaning given to "person connected" in Paragraph 1.01 of the Main Market Listing Requirements;
<b>Principal Adviser</b>	:	A corporate finance adviser that may act as a principal adviser under the Securities Commission Malaysia's Principal Adviser's Guidelines;
<b>Record of Depositors</b>	:	Means a record provided by Bursa Depository to a listed issuer under Chapter 24.0 of the Rules of Bursa Malaysia Securities Berhad, including any amendment that may be made from time to time;
<b>Registered Office</b>	:	The registered address of CWG being 6428, Lorong Mak Mandin Tiga, Mak Mandin Industrial Estate, 13400 Butterworth, Penang, Malaysia;
<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia;
<b>Rules of Bursa Depository</b>	:	The Rules of Bursa Depository as issued pursuant to the Central Depositories Act;
<b>Scheme</b>	:	The ESOS for the grant of Options to selected Eligible Persons to subscribe for CWG Shares (whether by way of issuance of new CWG Shares and/or transfer of treasury shares by CWG) on the terms and conditions as set out herein;
<b>Senior Management</b>	:	An Employee of the CWG Group deemed to be in a senior position as may be determined by the ESOS Committee from time to time;
<b>Shareholder(s)</b>	:	The shareholder(s) of CWG.
<b>Subsidiaries</b>	:	Subsidiary corporations of CWG within the meaning of Section 4 of the Act which are not dormant and shall include subsidiary corporations which are existing as at the Effective Date and those which are incorporated or acquired at any time during the duration of the Scheme and which is determined by the ESOS Committee at its absolute discretion from time to time to be a corporation participating under the Scheme in accordance with Bylaw 6, but exclude subsidiary corporations which have been divested in the manner provided for in Bylaw 25.2;

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## APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)

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**Vesting Conditions** : The conditions which are required to be fulfilled by a Grantee before the Option(s) is capable of being vested onto the Grantee pursuant to the terms of these Bylaws.

1.2 In these Bylaws:

- (i) Any reference to a statutory provision shall include any subordinate legislation made from time to time under the provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or any other relevant regulatory authority);
- (ii) Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these Bylaws so far as such modification or re-enactment applies or is capable of applying to any Option offered and accepted prior to the expiry of the Scheme and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced;
- (iii) Words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- (iv) Any liberty or power which may be exercised or any determination which may be made hereunder by the ESOS Committee or the Board may be exercised at the ESOS Committee's or the Board's discretion;
- (v) The heading in these Bylaws are for convenience only and shall not be taken into account in the interpretation of these Bylaws; and
- (vi) Unless expressly stated herein, if an event occurs on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day provided always that if such date shall fall beyond the duration of the Scheme, then the stipulated day shall be taken to be the preceding Market Day.
- (vii) Unless otherwise stated herein and whenever applicable, the currency adopted for any matter referred to in this Bylaws is RM and sen, being the lawful currency of Malaysia.

## 2. NAME OF SCHEME

This ESOS will be called the “**CWG Holdings Berhad's Employees' Share Option Scheme 2022**”.

## 2A. THE OBJECTIVES OF THE SCHEME

The establishment of this ESOS is to align the interests of the Eligible Persons to the corporate goals of CWG Group and provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:

- (i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of CWG and its subsidiaries;
- (ii) to motivate the Eligible Persons towards improved performance through greater productivity and loyalty;
- (iii) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of CWG; and

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## APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)

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- (iv) to reward the Eligible Persons by allowing them to participate in CWG Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of CWG Shares, upon exercising of the Option(s).

### 3. MAXIMUM NUMBER OF CWG SHARES AVAILABLE UNDER THE SCHEME

- 3.1 The maximum number of CWG Shares which may be made available under the Scheme shall not be more than ten per centum (10%) of the total number of issued CWG Shares (excluding treasury shares) at any one time as referred to in Bylaw 5 hereof. The ESOS Committee has the discretion in determining whether the total number of CWG Shares which may be made available under the Scheme and/or allocation thereof shall be staggered over the duration of the Scheme.
- 3.2 Notwithstanding the provision of Bylaw 3.1 above or any other provisions contained herein, in the event the maximum number of CWG Shares comprised in the Options granted under the Scheme exceeds the aggregate of ten per centum (10%) threshold in Bylaw 3.1 above as a result of CWG purchasing its own shares or CWG undertaking any other corporate proposal, no further Options shall be offered until the total number of CWG Shares to be made available under the Scheme falls below the said ten per centum (10%) threshold. Any Option granted prior to the adjustment of the number of issued CWG Shares shall remain valid and exercisable in accordance with the provisions of this Scheme.
- 3.3 Notwithstanding the above, CWG may implement more than one (1) ESOS during the duration of this Scheme provided that the aggregate CWG Shares available under all the share issuance schemes implemented by CWG is not more than ten per centum (10%) of the total number of issued CWG Shares (excluding treasury shares) at any one time or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

### 4. DURATION AND TERMINATION OF THE SCHEME

- 4.1 The Effective Date for the implementation of the Scheme shall be the date of full compliance with all relevant requirements of Chapter 6 of the Main Market Listing Requirements including the following approvals and/or conditions having been fully obtained and/or complied with:
  - (a) the submission to Bursa Securities of the final copy of the Bylaws together with a letter of compliance pursuant to Paragraphs 2.12 and 6.42 of the Main Market Listing Requirements and a checklist showing compliance with Appendix 6E of the Main Market Listing Requirements;
  - (b) the receipt of approval or approval-in-principle from Bursa Securities for the listing of and quotation for the new CWG Shares to be issued pursuant to the exercise of the Options granted under the Scheme;
  - (c) the procurement of Shareholders' approval for the Scheme at an extraordinary general meeting;
  - (d) the receipt of approval of any other relevant authorities for the Scheme (where applicable); and
  - (e) the fulfilment of all conditions attached to the above approvals, if any.

Unless otherwise terminated in accordance with Bylaw 4.3 herein and subject to the compliance of the terms and conditions herein contained, the Scheme shall come in force on the Effective Date for a period of five (5) years commencing from the Effective Date **PROVIDED ALWAYS THAT** on or before the expiry thereof, the Board shall have the absolute discretion, upon the

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## APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)

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recommendation of the ESOS committee, whether or not, to extend in writing the duration of the Scheme for another five (5) years or such shorter period as it deems fit immediately from the expiry of the first five (5) years commencing from the Effective Date **PROVIDED FURTHER THAT** the total duration of the Scheme shall not, in aggregate, be more than ten (10) years from the Effective Date or such longer period as may be allowed by the relevant authorities. In the event that the Scheme is extended in accordance with the terms and conditions herein, the ESOS Committee shall inform the extended duration of the Scheme to the relevant Grantees in such manner of communication as the ESOS Committee deems fit. Unless otherwise required by the relevant authorities, no further sanctions, approvals and/or authorisations shall be required for the extension of the Scheme provided that the Company shall serve appropriate notices to Grantees and make any announcements to Bursa Securities (if required) within thirty (30) days prior to the expiry of the original Scheme.

- 4.2 Offers can only be made during the duration of the Scheme before the Date of Expiry.
- 4.3 The Company may at any time during the duration of the Scheme through a resolution by the Board terminate the Scheme without further sanctions, approvals and/or authorisations (unless otherwise required by the relevant authorities or the Main Market Listing Requirements) and shall immediately announce to Bursa Securities the:
- (i) effective date of termination of the Scheme;
  - (ii) number of Options exercised; and
  - (iii) reasons for termination of the Scheme.
- 4.4 Notwithstanding anything to the contrary, all unvested and/or unexercised Options shall lapse on the Date of Expiry or earlier termination of the ESOS pursuant to Bylaw 4.3.
- 4.5 The Company shall through its Principal Adviser submit no later than five (5) Market Days after the Effective Date of the implementation of these Bylaws, a confirmation to Bursa Securities of the full compliance of Bylaw 4.1 above stating the effective date of implementation of the Scheme, together with a certified true copy of the relevant resolutions passed by the Shareholders of the Company in the general meeting approving the Scheme.

### 5. OFFER

- 5.1 The ESOS Committee may, at any time during the duration of the Scheme as defined in Bylaw 4 hereof, make Offer(s) in writing by way of an Offer Letter(s) to any Eligible Person (based on the criteria of allocation as set out in Bylaw 7 herein) selected by the ESOS Committee which selection shall be at the absolute discretion of the ESOS Committee and make the requisite announcements in respect thereof to Bursa Securities.
- 5.2 The actual number of CWG Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee and, subject to any adjustments that may be made under Bylaw 14 hereof, shall not be less than one hundred (100) CWG Shares but not more than the Maximum Allowable Allotment and shall always be in multiples of one hundred (100) CWG Shares.
- 5.3 The ESOS Committee shall state the following particulars in the Offer Letter:
- (a) The Offer Date;
  - (b) The total number of CWG Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the entire Option being offered;
  - (c) The Option Period;
  - (d) The Exercise Period (if any);

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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- (e) The Exercise Price;
  - (f) The Acceptance Period as defined in Bylaw 8.1;
  - (g) Vesting period, Vesting Conditions and performance targets (if any); and
  - (h) Any other information deemed necessary by the ESOS Committee.
- 5.4 Without prejudice to Bylaw 18, in the event of an error on the part of the Company in stating any of the particulars referred to in Bylaw 5.3, the following provisions shall apply:
- (a) Within one (1) month after discovery of the error, the Company shall issue a supplemental letter to the Offer Letter, stating the correct particulars referred to in Bylaw 5.3;
  - (b) In the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter to the Offer Letter shall remain as the Exercise Price as per the original Offer Letter; and
  - (c) In the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter to the Offer Letter shall be the Exercise Price applicable as at the date of the original Offer Letter, save and except with respect to any Option which have already been exercised as at the date of issue of the supplemental letter to the Offer Letter.
- 5.5 Subject to Bylaw 3 hereof, nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to any Eligible Person provided always that the total aggregate number of CWG Shares which may be offered to any Eligible Person (inclusive of CWG Shares previously offered under the Scheme, if any) shall not exceed the Maximum Allowable Allotment of that Eligible Person as set out in Bylaw 7 hereof.
- 5.6 The ESOS Committee has the discretion not to make further additional Offers regardless of the amount of Available Balance.
- 5.7 The Offer shall automatically lapse and be null and void in the event of the death of the Eligible Person or the Eligible Person ceasing to be employed by the CWG Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person in the manner set out in Bylaw 8 hereof.
- 5.8 An Offer may be made upon such terms and conditions as the ESOS Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable. The ESOS Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any vesting condition, performance targets, vesting period, service period or other conditions.
- 5.9 After each adjustment following an alteration of the Company's share capital as stipulated in Bylaws 14.1 and 14.2 and the Company informing the Grantee of such adjustment pursuant to Bylaw 14.6, upon the return by a Grantee of the original Offer Letter to the Company, that Offer Letter shall be amended or a new Offer Letter shall be issued within one (1) month from the date of return of the original Offer Letter, to reflect the adjustment made to the number of CWG Shares available for subscription under the Option(s) granted to the Grantee and/or the Exercise Price.
- 5.10 The Company shall keep and maintain at its own expense a register of Grantees and shall enter the name, address(es) and the number of the identity card issued under the National Registration Act 1959, or the passport number or other identification number, and the nationality of each Grantee, the Maximum Allowable Allotment, the number of CWG Shares under the Option(s) offered to each Grantee, the number of CWG Shares under the Option(s) accepted



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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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and exercised by each Grantee, the Date of Offer and the Exercise Price and other particulars as may be prescribed under Section 129 of the Act.

- 5.11 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESOS Committee to consider making, or to make, any Offer to any or all of the Eligible Persons.

**6. ELIGIBILITY**

- 6.1 Subject to Bylaws 6.2, 6.4 and 6.5 below, any Director or Employee of the CWG Group shall be eligible to be considered for the offer of Option(s) under the Scheme.

- 6.2 In the case of an Eligible Person, he/ she will be eligible if at the date of the Offer, the following eligibility criteria is fulfilled:

- (a) he/ she has attained the age of at least eighteen (18) years on the Offer Date and is not an undischarged bankrupt or subject to any bankruptcy proceedings; and/or
- (b) if an Employee or executive Director, he/ she must have been employed by and on the payroll of a corporation within the CWG Group and his/ her employment must have been confirmed on the Offer Date, irrespective whether he/ she was transferred to a corporation within the Group, in which case he/ she must have been a confirmed employee in that corporation within the Group, employed on a full time basis or is serving in a specific designation under an employment contract for a fixed duration of not less than one (1) year, and has not served a notice to resign nor received a notice of termination; and/or
- (c) he/ she is not a participant of any other share issuance scheme for employees implemented by any other corporation in the CWG Group which is in force for the time being; and/or
- (d) is under such categories and grade/criteria that the ESOS Committee may from time to time decide at its absolute discretion,

PROVIDED ALWAYS THAT the selection of any Director or Employee for participation in the Scheme shall be at the discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the ESOS, the ESOS Committee may take into account amongst other factors, the performance, contribution, employment grade, seniority and/or length of service to the relevant corporation within the CWG Group, and/or such other factors that the ESOS Committee may in its sole and absolute discretion deem fit. The ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above.

- 6.3 No Offers, allocation of Options under the Scheme and the related allotment of CWG Shares shall be made to the following persons unless the Shareholders of CWG in a general meeting shall have approved the specific allocation and allotment to such persons:

- (a) any person who is a director, major Shareholder or chief executive of CWG or holding company of CWG (“Interested Director”, “Interested Major Shareholder” and “Interested Chief Executive”); or
- (b) a person connected with an Interested Director, Interested Major Shareholder or Interested Chief Executive (“Interested Person Connected with a Director, Major Shareholder or Chief Executive”).

In a meeting to obtain shareholders’ approval in respect of the above allocation and allotment:

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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- (i) the Interested Director, Interested Major Shareholder, Interested Chief Executive or Interested Person Connected with a Director, Major Shareholder or Chief Executive; and
- (ii) where the allocation and allotment is in favour of an Interested Person Connected with a Director, Major Shareholder or Chief Executive, such Interested Director, Interested Major Shareholder or Interested Chief Executive,

must not vote on the resolution approving the said allocation and allotment. An Interested Director, Interested Major Shareholder or Interested Chief Executive must ensure that such persons connected with him/her abstain from voting on the resolution approving the said allocation and allotment.

- 6.4 For the avoidance of doubt, the following persons are not Eligible Persons and do not qualify for participation in the Scheme:
- (a) subject to Bylaw 25 below, employees of a corporation which has ceased to be a subsidiary of CWG;
  - (b) a director or employee of a corporation within the Group which is dormant; and
  - (c) employees that are on probation.
- 6.5 A Grantee under the Scheme shall not be entitled to participate in any other share issuance scheme for employees which may be implemented by any other corporation in the CWG Group during the duration of the Scheme unless otherwise approved by the Board and in accordance with the relevant laws and the Main Market Listing Requirements.
- 6.6 Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the Options or the CWG Shares comprised herein unless an Offer has been made by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms and conditions of the Offer and the Scheme.
- 6.7 Subject to Bylaws 3.1 and 7.1, in the event that the ESOS Committee has determined that certain Eligible Persons are entitled to be offered additional Options and the Available Balance and/or treasury shares held by CWG is insufficient to grant their full additional entitlements, the Available Balance and/or treasury shares held by CWG may be distributed on such basis as the ESOS Committee may determine.
- 6.8 The ESOS Committee has the discretion not to make further Offer(s) regardless of the amount of Available Balance.
- 6.9 Where an Offer to an Eligible Person who is a member of the ESOS Committee, such grant of Option(s) shall be decided and carried out by the ESOS Committee PROVIDED ALWAYS that such Eligible Person and persons connected to him/her who are also members of the ESOS Committee shall abstain from all discussions, deliberations and voting in respect of the Offer proposed Option(s) to be granted to him/ her and/or to persons connected to him/her at the relevant ESOS Committee meetings.

## **7. MAXIMUM ALLOWABLE ALLOTMENT AND BASIS OF ALLOCATION**

- 7.1 Subject to any adjustments which may be made under these Bylaws and the maximum allowable allocation limit on the total number of CWG Shares (including CWG Shares already issued under the Scheme) under Options pursuant to Bylaw 3, the aggregate number of CWG Shares that may be offered and/or allotted to any of the Eligible Persons of the CWG Group who are entitled to participate in the Scheme shall be on the basis set out in Bylaw 7.2 subject always to the following main parameters:

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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- (i) the Directors and senior management of CWG Group do not participate in the deliberation or discussion of their own allocation as well as allocation of Options to persons connected with them, if any;
- (ii) the number of CWG Shares allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty per centum (20%) or more of the total number of issued CWG Shares (excluding treasury shares), shall not exceed ten per centum (10%) of the total number of CWG Shares to be made available under the Scheme; and
- (iii) not more than seventy per centum (70%) of the CWG Shares available under the Scheme shall be allocated in aggregate to the Directors and senior management of CWG Group on the basis that they are crucial to the performance of CWG Group as determined by the ESOS Committee at their sole and absolute discretion,

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

- 7.2 The basis for determining the aggregate number of CWG Shares that may be offered under the Scheme and/or to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, *inter alia*, the performance, contribution, employment grade, seniority and/or length of service to the Group by the Eligible Person and/or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit and the maximum allowable allocation limit on the total number of CWG Shares (including CWG Shares already issued under the Scheme) under Option(s) to be offered to an Eligible Person shall be based on the category and/or group of Employees as decided by the ESOS Committee.
- 7.3 Subject to Bylaw 18, the ESOS Committee may at its sole and absolute discretion and pursuant to Bylaw 17, amend or vary and/or include or preclude any basis or criteria which is applied in considering Offers to Eligible Persons including details of the category of Employees and/or thresholds of Maximum Allowable Allotment for which it shall deem necessary to introduce during the duration of the Scheme provided that these additional categories and/or basis are in compliance with the relevant Main Market Listing Requirements and applicable laws.
- 7.4 Any Eligible Person who holds more than one (1) position within the CWG Group (including a Director who is an Employee of the CWG Group and who sits on the board(s) of directors of any one (1) or more corporations within the CWG Group), and is therefore an Eligible Person in more than one category or capacity, shall be entitled to the Maximum Allowable Allotment of only one (1) category to be determined by the ESOS Committee at its sole and absolute discretion.
- 7.5 In the event that an Eligible Person is promoted to a higher category, he/she shall be entitled to continue to hold and to exercise all unexercised Option(s) held by him/her as at the effective date of promotion and his/her Maximum Allowable Allotment shall be increased in accordance with his/her new category as provided in Bylaw 7.2 effective from such date, subject to the maximum number of CWG Shares available under the Scheme as stipulated in Bylaw 3.1.
- 7.6 In the event that an Eligible Person is demoted to a lower category, he/she shall be entitled to continue to hold and to exercise all unexercised Option(s) held by him/her as at the effective date of demotion and his/her Maximum Allowable Allotment shall be reduced in accordance with his/her new category as provided in Bylaw 7.2 effective from such date, unless otherwise determined by the ESOS Committee. In the event the total number of CWG Shares in respect of Option(s) which have been accepted by such demoted Eligible Person up to the effective date of his/her demotion is higher than the Maximum Allowable Allotment for his/her new category pursuant to such demotion, he/she shall not be entitled to be offered any further Option(s) unless and until he/she is subsequently promoted to a higher category or in such event where the Maximum Allowable Allotment is amended as provided in Bylaw 7.3 or revised by the ESOS Committee resulting in his/her Maximum Allowable Allotment being increased to

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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an amount greater than the total number of CWG Shares in respect of Option(s) which have already been accepted by him/her.

- 7.7 The ESOS Committee shall not be obliged in any way to offer to an Eligible Person all or any of the specified Maximum Allowable Allotment. The decision of the ESOS Committee shall be final and binding.
- 7.8 The allocation of Options pursuant to the Scheme shall be verified by the Company's Audit Committee, as being in compliance with the criteria set out in these Bylaws (where relevant) at the end of each financial year of the Company.

**8. ACCEPTANCE OF THE OFFER**

- 8.1 An Offer shall be valid for a period of thirty (30) calendar days from the Offer Date or up to the date immediately before the Date of Expiry (whichever is the earlier) or such longer period as the ESOS Committee at its discretion, determines on a case to case basis ("Acceptance Period"). Acceptance of the Offer by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESOS Committee in the form prescribed by the ESOS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each Offer (regardless of the number of shares comprised therein).
- 8.2 In the event that the Eligible Person fails to accept the Offer or pay the acceptance consideration as set out in Bylaw 8.1 hereof within the Acceptance Period and in the manner aforesaid, the Offer shall be deemed to have lapsed.

**9. EXERCISE PRICE**

- 9.1 The Exercise Price of each CWG Share comprised in any Option shall be the five (5)-day volume weighted average market price of the CWG Shares as quoted on Bursa Securities at the time of the Offer is made under Bylaw 5.1, with a discount of not more than ten per centum (10%) therefrom or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time;

as determined by the Board upon recommendation of the ESOS Committee which shall be binding and conclusive on the Grantees.

- 9.2 The Exercise Price shall be stipulated on each certificate of Option.
- 9.3 The Exercise Price shall be subject to any adjustments provided under Bylaw 14 herein.

**10. EXERCISE OF OPTION**

- 10.1 Subject to Bylaws 10.2 and 10.7 hereof, an Option can be exercised by the Grantee by notice in the prescribed form to the Company on the first day of every month during the Exercise Period in respect of all or any part of the CWG Shares comprised in the Option, such part being in multiples of one hundred (100) CWG Shares. For the avoidance of doubt, if the first day of any month shall fall on a day which is not a Market Day, then the notice in writing by the Grantee to the Company shall be submitted on the Market Day immediately following the first of the said month provided such dates are within the Exercise Period. Any partial exercise of an Option shall not preclude the Grantee from exercising the Option in respect of the balance of the CWG Shares comprised in the Option.
- 10.2 Subject to Bylaws 14 and 18 hereof, the ESOS Committee may, at any time and from time to time, before and after an Option is granted, limit the exercise of the Option to a maximum number of CWG Shares and/or such percentage of the total CWG Shares comprised in the Option during such periods within the Option Period, subject the exercise of the Option to any

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## APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)

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vesting condition determined by the ESOS Committee at its sole and absolute discretion including but not limited to service objectives, performance targets (as may be measured by qualitative and/or quantitative key performance indicators) being achieved before an Option(s) can be exercised and/or impose any other terms and/or conditions (including the time period to exercise the Options) as the ESOS Committee may, in its sole discretion deem appropriate including amending or varying any terms and conditions imposed earlier.

- 10.3 Every such notice to exercise the Option referred to in Bylaw 10.1 hereof shall be accompanied by a remittance in RM in the form of a bankers' draft or cashiers' order drawn and payable in Malaysia or any other form acceptable to the ESOS Committee for the full amount of subscription/ exercise monies (calculated in accordance with the provisions of Bylaw 9 hereof) in relation to the number of CWG Shares in respect of which the written notice is given.
- 10.4 The Company shall allot and issue such new CWG Shares and/or transfer from its treasury shares to the Grantee in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice of allotment to the Grantee and make an application for the listing of and quotation for the CWG Shares (as the case may be) within eight (8) Market Days after the date of receipt by the Company of the aforesaid notice and remittance from the Grantee or such other period as may be prescribed or allowed by Bursa Securities.
- 10.5 The Company, the Board and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising whether directly or indirectly in the event of any delay on the part of the Company in allotting and issuing the CWG Shares and/or transferring from it treasury shares or in procuring the relevant authorities to list and quote the CWG Shares for which a Grantee is entitled to subscribe, transfer or otherwise or any delay in receipt or non-receipt by the Company of the notice to exercise the Option(s) or for any errors in any Offers or any other matters or dealings which are outside the control of the Company, the Board and/or the ESOS Committee.
- 10.6 The Grantee who exercises his/her Option shall provide the ESOS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be, in the notice referred to in Bylaw 10.1 hereof. The CWG Shares to be issued and/or transferred pursuant to the exercise of an Option will be credited directly into the CDS Account of the Grantee or his/her Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS Account will be issued to the Grantee within eight (8) Market Days from the receipt by the Company of the written notice of exercise of the Option together with the requisite remittance of subscription/ exercise monies or such other period as may be prescribed or allowed by Bursa Securities and no physical share certificate will be issued.
- 10.7 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) the ESOS Committee shall have the right, to suspend the Grantee's Option pending the outcome of such disciplinary proceedings. The ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee PROVIDED ALWAYS THAT:
- (a) in the event that such Grantee shall subsequently be found not guilty of the charges which give rise to such disciplinary proceedings, the ESOS Committee shall reinstate the rights of such Grantee to exercise his/her Option;
  - (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, the Option shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation may be subsequently challenged by the Grantee in any other forum; and

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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- (c) in the event such Grantee is found guilty but not dismissed or termination of service is not recommended, the ESOS Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his/her Option and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise.

The Board may, after a warning /caution letter has been issued to a Grantee by the relevant corporation within the CWG Group, recommend to the ESOS Committee to suspend the Grantee's Option. The ESOS Committee shall, upon receipt of such recommendation by the Board, suspend the Grantee's Option until such time as the Board determines at its discretion whether or not the Grantee may continue to exercise his/her Option and if so, whether to impose such limits, terms and conditions as the Board deems appropriate, on such exercise.

For the purpose of this Bylaws, a Grantee shall be deemed to be subject to "disciplinary proceedings" if:

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

10.8 All Options to the extent unexercised on the expiry of the Option Period applicable thereto shall lapse.

10.9 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company in the notice to exercise or inaccuracy in the CDS Account number provided shall result in the notice to exercise being rejected at the discretion of the ESOS Committee. The ESOS Committee shall inform the Grantee of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and the Grantee shall not have deemed to have exercised his/her Option.

10.10 Every Option shall be subjected to the condition that no new CWG Shares shall be issued and/or transferred via treasury shares pursuant to the exercise of an Option if such issue and/or transfer would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

10.11 In implementing this Scheme but subject to the Act, Main Market Listing Requirements, Constitution, the ESOS Committee and the applicable laws may at its absolute discretion decide that the Options be satisfied by the following methods:

- (a) issuance of new CWG Shares;
- (b) transfer of CWG's treasury shares (if any) or any other methods as may be permitted by the Act; or
- (c) a combination of any of the above.

## **11. RIGHTS ATTACHING TO OPTIONS AND THE CWG SHARES**

11.1 The Options shall not carry any right to vote at any general meeting of the Company.

11.2 A Grantee shall not be entitled to any dividends, rights or other entitlements, on his/her unexercised and/or unvested Option(s) in relation to the CWG Shares yet to be issued.

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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- 11.3 The CWG Shares to be issued and/or transferred via treasury shares upon the exercise of the Options (as the case may be) shall upon allotment and issuance or transfer (as the case may be) and full payment, rank equally in all respects with the then existing CWG Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions declared, made or paid to ordinary Shareholders, where the Entitlement Date precedes the date of issuance and/or transfer (as the case may be) of the said CWG Shares and are subject to the provisions of the Constitution of the Company and Main Market Listing Requirements, if any.
- 11.4 The CWG Shares (including such CWG's treasury share(s) transferred upon exercise of an Option) will be subject to all provisions of the Constitution of the Company.

**12. NON-TRANSFERABILITY**

- 12.1 An Option is personal to the Grantee and subject to the provisions of Bylaws 13.1, 13.2, 13.3 and 13.5, it is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment in any corporation in the CWG Group.
- 12.2 An Option so granted shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under Bylaw 13.5. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option.

**13. TERMINATION / LAPSING OF THE OPTION**

- 13.1 In the event a Grantee ceases to be in the employment of the CWG Group for whatever reason prior to the full exercise of an Option, such Option or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company PROVIDED ALWAYS THAT the ESOS Committee may, at its absolute discretion, by notice in writing, permit such Option to remain exercisable during the Option Period if such cessation occurs by reason of:
- (i) retirement on attaining the retirement age under CWG Group's retirement policy; or
  - (ii) retirement before attaining the normal retirement age but with the consent of the ESOS Committee; or
  - (iii) transfer to any corporation outside the CWG Group at the direction of the Company;
  - (iv) redundancy; or
  - (v) death, ill-health, injury, physical or mental disability or insanity;
  - (vi) the bankruptcy of the Grantee; or
  - (vii) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.

Upon the Options ceasing and lapsing pursuant to the above, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise his/her Option(s) or his/her Option(s) ceasing to be valid.

- 13.2 Unless otherwise agreed in writing by the ESOS Committee at its absolute discretion, upon the resignation of the Grantee from his/her employment or directorship with the CWG Group (as the case may be), an Option shall lapse forthwith on the date the Grantee tenders his/her resignation. Any Option which lapses upon the resignation of the Grantee from his/her

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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employment or directorship with CWG Group (as the case may be), at the discretion of the ESOS Committee, shall be offered to other Eligible Persons.

- 13.3 In the event of the liquidation of the Company, all unexercised or partially exercised Options shall lapse.
- 13.4 Where a Grantee dies before the expiry of the Option Period and the ESOS Committee permits such Grantee's unexercised Option(s) to remain exercisable, the whole or any part of the Option(s) held by the Grantee that is unexercised may be exercised by the legal representatives of the Grantee in accordance with the terms and/or conditions as set out by the ESOS Committee PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period.

**14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD**

- 14.1 Notwithstanding anything contained in these Bylaws and subject to any applicable laws and the Main Market Listing Requirements, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of CWG Shares or reduction of capital or any other variation of capital, the Company shall cause such adjustment to be made to:
- (a) the number of CWG Shares which a Grantee shall be entitled to subscribe for upon the exercise of each Option; and/or
  - (b) the Exercise Price.
- 14.2 The following provisions shall apply in relation to an adjustment which is made pursuant to Bylaw 14.1:
- (a) any adjustment to the Exercise Price shall be rounded up to the nearest one (1) sen; and
  - (b) in determining a Grantee's entitlement to subscribe for CWG Shares, any fractional entitlements will be disregarded.
- 14.3 Bylaw 14.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of new CWG Shares or other securities convertible into CWG Shares or rights to acquire or subscribe for CWG Shares in consideration or part consideration for an acquisition of any other securities, assets or business by the Company and/or its related corporation;
  - (b) a special issue of new CWG Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authority to comply with the Government policy on Bumiputera capital participation;
  - (c) a private placement/restricted issue of new CWG Shares by the Company;
  - (d) an issue of new CWG Shares arising from the exercise of any conversion rights attached to securities convertible to CWG Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
  - (e) an issue of new CWG Shares upon the exercise of Options pursuant to the Scheme;
  - (f) any issue of CWG Shares pursuant to a dividend reinvestment scheme in accordance with the Main Market Listing Requirements;



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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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- (g) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act; and
  - (h) an issue of further Options to Eligible Persons under these Bylaws.
- 14.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Division 7 of Part III of the Companies Act 2016, Bylaw 14.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company, save that Bylaw 14.3 shall be applicable in respect of such part(s) of the Scheme which involve(s) any alteration(s) in the capital structure of the Company which falls within Bylaw 14.3.
- 14.5 In the event the Court sanctions a compromise or arrangements between the Company and its members proposed for the purposes of, or in connection with, a scheme for arrangement or reconstruction of the Company under the Act or its amalgamation with any other company or companies under the Act any Option should remain exercisable by the Grantee at any time and from time to time in the period commencing with the date upon which the compromise or arrangements is sanctioned by the court and ending with the date upon which it becomes effective or within the Option Period, whichever expires first. Upon the compromise or arrangement becoming effective, all Options, to the extent unexercised shall automatically lapse and shall become null and void.
- 14.6 Upon any adjustment being made, the ESOS Committee shall within twenty-one (21) Market Days of the effective date of such adjustment or such other time period as may be prescribed by Bursa Securities or such other relevant authorities from time to time give notice in writing to the Grantee, or his/her legal or personal representative where the Grantee is deceased, to inform him/her of the adjustment and the event giving rise thereto.
- 14.7 Save for any alteration in the capital structure of the Company during the Option Period arising from bonus issues, subdivision or consolidation of shares, all adjustments must be confirmed in writing either by the external auditors or CWG's Principal Adviser, acting as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable. In addition, the Company shall, at the request of any Grantee, furnish such Grantee with a certificate from an approved company auditor or CWG's Principal Adviser (as the case may be) to the effect that in the opinion of such auditor or CWG's Principal Adviser (as the case may be), acting as an expert and not as an arbitrator, an adjustment is fair and reasonable either generally or as regards such Grantee, and such certification shall be final and binding on all parties. For the purposes of this Bylaw, an approved company auditor shall have the meaning given in Section 2 of the Act and shall be the external auditors for the time being of the Company or such other external auditors as may be nominated by the Board.
- 14.8 The Company shall be guided by the adjustment as provided in Bylaw 14.9 in determining the adjustments to be made pursuant to this Bylaw 14.
- 14.9 In addition to Bylaw 14.1 and not in derogation thereof, the Exercise Price and the number of CWG Shares relating to the Option so far unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with the external auditors and/or CWG's Principal Adviser:
- (a) If and whenever a CWG Share by reason of any consolidation or subdivision (including if so permitted by the relevant authorities, a subdivision by way of a bonus issue by the Company of CWG Shares without capitalisation of profits or reserves) or conversion occurs, the Exercise Price shall be adjusted and the adjusted number of CWG Shares relating to the Option shall be calculated in accordance with the following formula:

(i) New Exercise Price =  $\frac{S \times L}{M}$

(ii) Adjusted number of CWG Shares =  $\frac{T \times M}{L}$

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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Where:

- L = the aggregate number of CWG Shares in issue immediately prior to the consolidation or subdivision or conversion; and
- M = the aggregate number of CWG Shares in issue immediately after such consolidation or subdivision or conversion; and
- S = existing Exercise Price; and
- T = existing number of CWG Shares relating to the Option that remains unexercised; and

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

- (b) If whenever the Company shall make any issue of CWG Shares to ordinary shareholders for which no consideration is payable but which are credited as fully paid, by way of capitalisation of profits or reserves (including any capital redemption reserve fund and other than an issue of CWG Shares to its members who had an option to take cash or other dividend in lieu of the relevant CWG Shares), the Exercise Price shall be adjusted as follows::

$$\text{New Exercise Price} = S \times \frac{A}{(A + B)}$$

and the adjusted number of CWG Shares relating to the Option shall be calculated as follows:

$$\text{Adjusted number of CWG Shares} = \frac{T \times (A + B)}{A}$$

Where:

- A = the aggregate number of issued CWG Shares on the Entitlement Date immediately before such capitalisation;
- B = the aggregate number of CWG Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (including any capital redemption reserve fund and other than an issue of CWG Shares to its members who had an option to take cash or other dividend in lieu of the relevant CWG Shares);
- S = as above.
- T = as above.

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

- (c) If and whenever the Company shall make:
- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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involving the cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own CWG Shares in accordance with the Companies Act 2016 (Act 777) and all other applicable laws and regulations); or

- (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for CWG 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 CWG Shares or securities with rights to acquire or subscribe for CWG Shares,

then and in respect of each such case, the Exercise Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{C - D}{C}$$

and in respect of the case referred to in Bylaw 14.9(c)(ii) hereof, the adjusted number of CWG Shares comprised in the Option to be issued shall be calculated as follows:

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

Where:

- T = as above;
- C = the Current Market Price of each CWG Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the announcement of the Entitlement Date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (i) in the case of an offer or invitation to acquire or subscribe for CWG Shares by way of rights under Bylaw 14.9(c)(ii) above or for securities convertible into CWG Shares or securities with rights to acquire or subscribe for CWG Shares under Bylaw 14.9(c)(iii) above, the value of rights attributable to one (1) CWG Share (as defined below); or  
 (ii) in the case of any other transaction falling within Bylaw 14.9(c) hereof, the fair market value, as determined by the external auditors and/or CWG's Principal Adviser, of that portion of the Capital Distribution attributable to one (1) CWG Share.

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

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

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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Where:

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

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

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

Where:

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

For the purpose of Bylaw 14.9(c) hereof, “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividend) or by way of issue of CWG Shares (not falling under Bylaw 14.9 (b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (including any capital redemption reserve fund) but excluding an issue of CWG Shares to its members who had an option to take cash or other dividend in lieu of the relevant CWG Shares.

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

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

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Bylaw 14.9(b) above and also makes an offer or invitation to its ordinary shareholders as provided in Bylaw 14.9(c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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and where the Company makes an allotment to its ordinary shareholders as provided in Bylaw 14.9(b) above and also makes an offer or invitation to its ordinary shareholders as provided in Bylaw 14.9(c)(ii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the adjusted number of CWG Shares relating to the Option to be issued shall be calculated as follows:

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

Where:

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

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

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for CWG Shares as provided in Bylaw 14.9(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for CWG Shares as provided in Bylaw 14.9(c)(iii) above, the Exercise Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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and the adjusted number of CWG Shares relating to the Option to be issued shall be calculated as follows:

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

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 CWG Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for CWG Shares by the ordinary shareholders;
K	=	the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional CWG Share; and
T	=	as T above.

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

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Bylaw 14.9(b) above and also makes an offer or invitation to acquire or subscribe for CWG Shares to its ordinary shareholders as provided in Bylaw 14.9(c)(ii) above, together with rights to acquire or subscribe for CWG Shares as provided in Bylaw 14.9(c)(iii) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the adjusted number of CWG Shares relating to the Option to be issued shall be calculated as follows:

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

Where:

B	=	as B above;
C	=	as C above;
G	=	as G above;

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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

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

- (g) For the purpose of Bylaw 14.9:

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

- 14.10 Notwithstanding the other provisions referred to in Bylaw 14.9, in any circumstances where the ESOS Committee considers that adjustments to the Exercise Price and/or any additional CWG Shares relating to Options to be issued as provided for under the provisions hereof should not be made or should be calculated on a different basis or different date or that an adjustment to the Exercise Price and/or the issuance/ transfer of additional CWG Shares relating to Options should be made notwithstanding that no adjustment or further issuance is required under the provisions hereof, the Company may appoint the external auditors and/or CWG’s Principal Adviser to consider whether for any reasons whatever the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such external auditors and/or CWG’s Principal Adviser shall consider the adjustment calculation or determination to be inappropriate, the adjustments shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such external auditors and/or CWG’s Principal Adviser to be in their opinion appropriate.

## **15. QUOTATION OF NEW CWG SHARES**

- 15.1 If at the time of allotment of the new CWG Shares pursuant to the exercise of an Option, the existing issued CWG Shares are quoted on Bursa Securities, the Company shall make an application to Bursa Securities for the listing of and quotation for the new CWG Shares so allotted in accordance with Bylaw 10.4.
- 15.2 The Company and the ESOS Committee shall not be liable for any losses, costs and damages relating to the delay on the part of the Company in allotting and issuing the CWG Shares under any circumstances.

## **16. RETENTION PERIOD**

The ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer of the CWG Shares as it deems fit. The Grantees are encouraged to hold the CWG Shares as an investment rather than for any speculative purposes and/or the realisation of any immediate gain.

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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**17. ADMINISTRATION**

17.1 This Scheme shall be administered by the ESOS Committee comprising such persons as shall be appointed from time to time by the Board of CWG. The Board of CWG shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESOS Committee. The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board of CWG to administer the Scheme in such manner it shall in its discretion deem fit, in accordance with the provisions set out in these Bylaws. The ESOS Committee may, for the purpose of administering the Scheme, do all 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 Scheme which the ESOS Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme.

17.2 Any decision or determination of the ESOS Committee made pursuant to the provisions of the Scheme (other than a matter to be certified and/or approved by the external auditors or the Company's Principal Advisers) shall be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to any dispute as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The ESOS Committee shall not be required to furnish any reason for any decision or determination made by it except as may be required by the relevant authorities.

17.3 If in consequence of an error or omission, the ESOS Committee discovers or determines that:

- (a) an Eligible Person has not been given the opportunity to participate in the Scheme on any occasion; or
- (b) the number of CWG Share(s) comprised in any Option is found to be incorrect;

the ESOS Committee may subject to Bylaw 5.11 do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or the number of CWG Share(s) under Option(s) is corrected.

**18. AMENDMENT AND/OR MODIFICATION TO THE SCHEME**

18.1 Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities and their approvals being obtained (if required under the Main Market Listing Requirements and applicable laws and regulations), the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these Bylaws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these Bylaws upon such recommendation PROVIDED ALWAYS THAT no additions or amendments to or deletions of these Bylaws shall be made which will:

- (a) Prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee;
- (b) Prejudice any rights of the shareholders of the Company without the prior approval of the Company'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 Bylaws by virtue of Appendix 6E of the Main Market Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Main Market Listing Requirements.

18.2 Any amendments/modifications to the Bylaws shall not contravene any of the provisions of the guidelines on employee share issuance schemes as stipulated under the Main Market Listing Requirements and/or any other relevant regulatory authority in relation to ESOS.



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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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18.3 Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments caused to be submitted to Bursa Securities the amended Bylaws and a confirmation letter in the form required under the Main Market Listing Requirements that the said amendment and/or modification complies and does not contravene any of the provisions of the Main Market Listing Requirements on ESOS and the Rules of Bursa Depository.

18.4 The Grantees shall be given written notices in the term and conditions prescribed by the ESOS Committee from time to time if any conditions, amendments to and/or modifications of these Bylaws within five (5) Market Days of any of the foregoing taking effect.

**19. DISPUTES**

In the event of any dispute or difference arising between the ESOS Committee and an Eligible Person or a Grantee, as to any matter or thing of any nature arising hereunder, the ESOS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the Grantee, as the case may be provided that where the dispute or difference is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance. The said decision shall be final and binding on the parties in all respect.

**20. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme shall not form part of or constitute or in any way be construed as a term or condition of employment of any employee. This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the CWG Group under which the Eligible Person is employed or any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment.

**21. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to the administration and management of the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issuance of the CWG Shares and/or transfer from treasury shares pursuant to the exercise of any Option shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance, exercise and/or loss of the Option(s), loss of Option certificate(s), opening and maintaining of his/ her respective CDS Account and sale of CWG Shares in the market.

**22. CONSTITUTION**

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

**23. INSPECTION OF AUDITED ACCOUNTS**

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

**24. TRANSFER FROM OTHER CORPORATIONS TO THE CWG GROUP**

In the event that:

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

(the first mentioned corporation in (i) and (ii) above are hereinafter referred to as the “Previous Company”), such a Director or an Employee of the Previous Company (“the Affected Director/Employee”), subject to Bylaw 6 hereof, will:

- (i) be entitled to continue to exercise all such unexercised Option(s) which were granted to him/her under the Previous Company’s ESOS in accordance with the Bylaws of such Previous Company’s ESOS but he/she shall not, upon such transfer or restructuring or divestment as the case may be, be eligible to participate for further options of such Previous Company’s ESOS; and/or
- (ii) be eligible to participate in the Scheme only for the remaining duration of the Scheme, subject to the ESOS Committee’s approval; and/or
- (iii) if the Affected Director/Employee had participated in the Previous Company’s ESOS, the number of CWG Shares to be offered to such Affected Director/Employee under the Scheme shall be subject to the discretion of the ESOS Committee.

**25. DIVESTMENT FROM THE CWG GROUP**

25.1 If a Grantee who was in the employment of a corporation in the CWG Group, which was subsequently divested wholly, or in part, from the CWG Group, then such Grantee:

- (i) may at the discretion of the ESOS Committee, be entitled to continue to exercise all such unexercised Option(s) which were granted to him/her under the Scheme within a period of six (6) months from the date of completion of such divestment and within the Option Period, failing which the right of such Grantee to subscribe for that number of the CWG Shares or any part thereof granted under such unexercised Option(s) shall automatically lapse upon the expiration of the said six (6)-month period and be null and void and of no further force and effect; and
- (ii) shall not be eligible to participate for further Option(s) under the Scheme. For the avoidance of doubt, where the Grantee was in the employment of a corporation in the CWG Group and that Company was subsequently partially divested from the CWG Group, which resulted in a subsequent holding of fifty percent (50%) or more by the CWG Group, then such Grantee shall be entitled to all his/ her rights in relation to the unexercised Option(s) and he/ she shall be eligible for further participation of the Option(s) under the Scheme.

25.2 For the purpose of Bylaw 25.1, a corporation shall be deemed to be divested from the CWG Group in the event that such corporation would no longer be a subsidiary of CWG pursuant to Section 4 of the Act.

**26. TAKEOVER**

Notwithstanding Bylaw 10 hereof and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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- (i) a take-over offer being made for the Company, under the Malaysian Rules on Take-Over, Mergers and Compulsory Acquisition, to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer (“Offeror”) or any persons acting in concert with the Offeror), any unexercised Options shall remain in force and be exercisable until the expiry of the Option Period applicable thereto unless otherwise determined by the ESOS Committee at its absolute discretion; and
- (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of CWG Shares under the provisions of the Capital Markets and Services Act 2007 and gives notice to the Company that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise all or any part of his/her Option(s) from the date of service of the said notice to the Company until and inclusive of the date on which the right of compulsory acquisition is exercised PROVIDED ALWAYS THAT any Options to the extent unexercised after the date on which the right of compulsory acquisition is exercised shall lapse and immediately cease to have any effect.

**27. SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION**

Notwithstanding Bylaw 10 hereof and subject to the discretion of the ESOS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under the Act or its amalgamation with any other company or companies under the Act, any Option shall remain exercisable by the Grantee at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective or such other date as the ESOS Committee may deem fit. Upon such date, all Options, to the extent unexercised shall automatically lapse and shall become null and void.

**28. SUBSEQUENT EMPLOYEE SHARE ISSUANCE SCHEMES**

Without derogating the right of the Company to implement more than one (1) ESOS during the duration of this Scheme as set out in Bylaw 3.3, the Company may establish a new ESOS after the Date of Expiry subject to the approval of the relevant authorities and/or the shareholders of the Company.

**29. NO COMPENSATION**

- 29.1 A Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.
- 29.2 No Eligible Person or Grantee or legal personal representatives shall bring any claim, action or proceeding against the Company or the Board of CWG or the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his/her rights to exercise his/her Option(s) or his/her Option(s) ceasing to be valid pursuant to the provisions of these Bylaws, as may be amended from time to time in accordance with Bylaw 18 hereof.

**30. TAXES**

All taxes (including income tax), if any, arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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**31. WINDING UP**

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

**32. SEVERABILITY**

Any term, condition, stipulation or provision in these Bylaws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

**33. GOVERNING LAW AND JURISDICTION**

33.1 These Bylaws shall be governed and construed in accordance with the laws of Malaysia and the Grantee shall submit to the exclusive jurisdiction of the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these Bylaws.

33.2 Any proceeding or action shall be instituted or taken in Malaysia and the Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.

33.3 Any Offer made to Eligible Persons pursuant to the Scheme is strictly made in Malaysia only and shall not be deemed to be made or offered in any country or jurisdiction other than Malaysia unless specifically mentioned otherwise by the ESOS Committee in the Offer.

33.4 In order to facilitate the making of an Offer under the Scheme, the Board may provide for such special terms and conditions to apply to such Offers to Eligible Persons who are employed by a corporation within the CWG Group in a particular jurisdiction or who are nationals of any particular jurisdiction that is outside Malaysia, as the Board may consider necessary or appropriate to accommodate differences in applicable law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments or restatements of the Scheme as it may consider necessary or appropriate for such purposes, without thereby affecting the terms and conditions of the Scheme as they are in effect, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having or any other appropriate officer of the Company may certify such document as having been approved and adopted in the same manner as this Scheme. No such special terms, supplements or amendments however shall include any provision that is inconsistent with the terms and/or conditions of this Scheme as then in effect unless this Scheme could have been amended to eliminate such inconsistency.

**34. NOTICE**

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

- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee 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 Grantee, such notice or request shall be deemed to have been received on the date of delivery;

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**APPENDIX III – DRAFT ESOS BY-LAWS (CONT'D)**

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- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

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

- 34.2 Any certificate, notification or other notice required to be given to the Company or the ESOS Committee shall be properly given if sent by registered post or delivered by hand to the Company at its business address at 6428 Lorong Mak Mandin Tiga, Mak Mandin Industrial Estate, 13400 Butterworth, Penang, Malaysia or any other business address which may be notified in writing by the ESOS Committee from time to time.
- 34.3 Notwithstanding Bylaw 34.1, where any notice is required to be given by the Company or the ESOS Committee under these Bylaws in relation to matters which may affect all Grantees or Eligible Persons, as the case may be, the Company or the ESOS Committee may give notice through an announcement to all Grantees, Eligible Persons and/or employees of the CWG Group to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the notice to be made under Bylaw 34.1 shall be deemed to be sufficiently given, served or made to all affected Grantee or Eligible Person, as the case may be.

### **35. DECISION OF ESOS COMMITTEE**

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

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**APPENDIX IV – FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENT**

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

**3. DECLARATION OF CONFLICT OF INTERESTS**

UOBKH has given its written confirmation that there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Principal Adviser for the Proposals and the Placement Agent for the Proposed Private Placement.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

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

**5. MATERIAL COMMITMENT**

Save as disclosed below, as at the LPD, the Board confirms that there are no material commitments entered into or known to be entered into by the Group that has not been provided for which, may have a material impact on the financial results/ position of the Group:-

<b>Capital commitments</b>	<b>RM'000</b>
Capital expenditure in respect of purchase of property, plant and equipment: - Contracted but not provided for	931
<b>Total</b>	<b>931</b>

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**APPENDIX IV – FURTHER INFORMATION (CONT'D)**

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**6. CONTINGENT LIABILITIES**

Save as disclosed below, as at the LPD, the Board confirms 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/ position of the Group:-

	<b>RM'000</b>
The Company provides corporate guarantees to licensed banks for banking facilities granted to a subsidiary. The amount of the banking facilities utilised by the said subsidiary	3,933
<b>Total</b>	<b><u>3,933</u></b>

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the Registered Office of CWG at 6428, Lorong Mak Mandin Tiga, Mak Mandin Industrial Estate, 13400 Butterworth, Penang, during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this Circular up to and including the date of the EGM:-

- (i) Constitution of CWG;
- (ii) Audited consolidated financial statements of CWG Group for the past 2 financial years up to the FYE 30 June 2021 and the latest unaudited quarterly report of CWG Group for the 3-month FPE 30 September 2021;
- (iii) Subscription Agreement signed on 22 October 2021 between the Placee and the Company;
- (iv) Draft Deed Poll as set out in Appendix II of this Circular;
- (v) Draft ESOS By-Laws as set out in Appendix III of this Circular; and
- (vi) The letter of consent and declaration of conflict of interests referred to in Sections 2 and 3 above, respectively.



**CWG HOLDINGS BERHAD**  
Registration No. 201601035444 (1206385-W)  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting ("**EGM**") of CWG Holdings Berhad ("**CWG**" or the "**Company**") will be held at The Light Hotel, Lebuh Tenggiri 2, Bandar Seberang Jaya, 13700 Seberang Jaya, Penang on Tuesday, 25 January 2022, at 11:00am, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:-

### **ORDINARY RESOLUTION 1**

**PROPOSED PRIVATE PLACEMENT WHICH INVOLVES THE ISSUANCE OF UP TO 37,887,030 NEW ORDINARY SHARES IN CWG ("CWG SHARE(S)" OR "SHARE(S)") ("PLACEMENT SHARE(S)") REPRESENTING APPROXIMATELY 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF CWG (EXCLUDING TREASURY SHARES) ("PROPOSED PRIVATE PLACEMENT"). THE PROPOSED PRIVATE PLACEMENT IS TO BE UNDERTAKEN TO THE FOLLOWING PARTIES:-**

- I. DATUK HONG CHOON HAU THROUGH A SUBSCRIPTION AGREEMENT ENTERED INTO WITH THE COMPANY ON 22 OCTOBER 2021 ("SUBSCRIPTION AGREEMENT") FOR A PRIVATE PLACEMENT OF 25,258,020 PLACEMENT SHARES ("SUBSCRIPTION SHARE(S)") REPRESENTING APPROXIMATELY 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF CWG (EXCLUDING TREASURY SHARES), AT THE SUBSCRIPTION PRICE OF RM0.40 PER SUBSCRIPTION SHARE; AND**
- II. THIRD-PARTY INVESTOR(S), WHERE SUCH INVESTOR(S) QUALIFY UNDER SCHEDULES 6 AND 7 OF THE CAPITAL MARKET AND SERVICES ACT 2007, WHICH INVOLVES THE ISSUANCE OF UP TO 12,629,010 PLACEMENT SHARES REPRESENTING APPROXIMATELY 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF CWG (EXCLUDING TREASURY SHARES)**

**THAT** subject to all approvals being obtained from the relevant authorities and/or parties, approval be and is hereby given to the Board of Directors of CWG ("**Board**") to issue and allot up to 37,887,030 Placement Shares representing up to 30% of the total number of issued shares of CWG (excluding treasury shares) for the purpose as set out in CWG's Circular dated 10 January 2022 ("**Circular**") to the following parties:-

- a. Datuk Hong Choon Hau through the Subscription Agreement for a private placement of 25,258,020 Subscription Shares representing approximately 20% of the total number of issued shares of CWG (excluding treasury shares), at the subscription price of RM0.40 per Subscription Share; and
- b. Third-Party Investor(s), where such investor(s) qualify under Schedules 6 and 7 of the Capital Market and Services Act 2007, which involves the issuance of up to 12,629,010 Placement Shares ("**Remaining Placement Shares**") representing approximately 10% of the total number of issued shares of CWG (excluding treasury shares).

**THAT** approval be and is hereby given to the Board to determine the issue price for the Remaining Placement Shares at a later date based on not more than 10% discount to the five-day volume weighted average market price of the CWG Shares immediately preceding the price-fixing date.

**THAT** the Placement Shares will, upon allotment and issuance, rank equally and carry the same rights with the existing CWG Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Placement Shares.



**THAT** the Board be and are hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities and the requirements under law and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and in the best interest of the Company.

**THAT** the Board be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary in the best interest of the Company and to take such steps as they may deem appropriate, necessary and/or expedient in order to implement, finalise, give full effect and to complete the Proposed Private Placement.

**AND THAT** this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein and shall continue in full force and effect until all Placement Shares to be issued pursuant to or in connection with the Proposed Private Placement have been duly allotted and issued in accordance with the terms of the Proposed Private Placement."

## **ORDINARY RESOLUTION 2**

**PROPOSED BONUS ISSUE OF UP TO 82,088,566 BONUS WARRANTS IN CWG ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING CWG SHARES HELD ON AN ENTITLEMENT DATE, WHICH WILL BE DETERMINED LATER ("WARRANTS ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF WARRANTS")**

"**THAT** subject to the approvals of all relevant authorities and/ or parties (where applicable), authority be and is hereby given to the Board to issue and allot 82,088,566 Warrants (at an exercise price to be determined at a later date and for the purpose as set out in the Circular) in the share capital of the Company credited to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Warrants Entitlement Date on the basis of 1 Warrant for every 2 CWG Shares held;

**THAT** the Board be and is hereby authorised to enter into and execute a deed poll constituting the Warrants ("**Deed Poll**") with full powers to assent to any condition, modification, variation and/ or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll;

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

**THAT** the Board be and is hereby authorised to issue and allot such appropriate number of new CWG Shares pursuant to the exercise of the Warrants by the holders of the Warrants in accordance with the provisions of the Deed Poll;

**THAT** the Board be and is hereby authorised to deal with any fractional entitlements from the Proposed Bonus Issue of Warrants, if any, in such a manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;

**THAT** the new CWG Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing CWG Shares, save and except that the new CWG 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 before the date of exercise of Warrants;

**THAT** the Board be and is hereby authorised to use the proceeds to be raised from the exercise of the Warrants for such purposes and in such manner as set out in Section 2.2.5 of the Circular and the Board be authorised with full powers to vary the manner and/ or purpose of the use 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 the requirements under law Listing Requirements and in the best interest of the Company;

**AND THAT** the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue of Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any 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 they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

### **ORDINARY RESOLUTION 3**

#### **PROPOSED ESTABLISHMENT OF THE COMPANY'S EMPLOYEE SHARE OPTIONS SCHEME ("ESOS") OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF CWG (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME OVER THE DURATION OF THE ESOS, FOR ELIGIBLE PERSONS ("PROPOSED ESOS").**

**THAT** subject to the approvals of all relevant regulatory authorities and/ or parties being obtained, including the approval of Bursa Securities for the listing and quotation for the new CWG Shares to be issued arising from the exercise of the options granted under the Proposed ESOS ("**ESOS Option(s)**"), approval be and is hereby given for the Board to:-

- i. establish, implement and administer the Proposed ESOS in accordance with the bylaws of the Proposed ESOS ("**Bylaws**"), a draft of which is set out in Appendix III of the Circular, to approve and adopt the Bylaws and to give effect to the Proposed ESOS with full power to assent to any conditions, variations, modifications and/ or amendments as may be required by the relevant authorities;
- ii. make the necessary applications and do all things necessary at the appropriate time or times to Bursa Securities for the listing and quotation for the new CWG Shares, which may from time to time be allotted and issued arising from the exercise of the ESOS Options;
- iii. allot and issue such number of new CWG Shares from time to time as may be required arising from the exercise of the ESOS Options, PROVIDED THAT the total number of new CWG Shares, which may be made available under the Proposed ESOS, shall not in aggregate exceed 10% of the total number of issued shares of the Company (excluding treasury shares) at any point in time during the duration of the Proposed ESOS AND THAT the new CWG Shares to be allotted and issued upon the exercise of the ESOS Options will, upon allotment, issuance and full payment, rank equally in all respects with the existing CWG Shares, save and except that the new CWG Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of the new CWG Shares. The new CWG Shares allotted will be subject to all provisions in the Constitution of the Company and the Listing Requirements, if any;
- iv. modify and/ or amend the Proposed ESOS and/ or the Bylaws from time to time provided that such modifications and/ or amendments are permitted and effected in accordance with the provisions of the Bylaws relating to modifications and/ or amendments; and
- v. do all such acts and things, take such steps, execute all such documents and enter into all such arrangements, agreements, deeds and/ or undertakings with any party(ies) as they may deem fit, necessary, expedient and/ or appropriate in order to finalise, implement and/ or give full effect to the Proposed ESOS and terms of the Bylaws with full power to assent to any terms, conditions, modifications, variations and/ or amendments as may be agreed to or required by any relevant authorities or as a consequence of any such requirement as may be deemed necessary and/ or expedient and in the best interest of the Company."

## ORDINARY RESOLUTIONS 4-5

### PROPOSED ALLOCATION OF ESOS OPTIONS TO THE EXECUTIVE DIRECTORS OF CWG

"**THAT**, subject to and conditional upon the passing of the Ordinary Resolution 3 and the approvals of the relevant authorities for the Proposed ESOS, including the approval from Bursa Securities for the listing and quotation for the new CWG Shares to be issued arising from the exercise of the ESOS Options, having been obtained, approval be and is hereby given to the Board to authorise the ESOS Committee, at any time and from time to time throughout the duration of the Proposed ESOS, to offer and grant to the following Executive Directors of CWG, ESOS Options to subscribe for new CWG Shares under the Proposed ESOS:-

- |    |  |                       |
|----|--|-----------------------|
| i  | Mr Ooi Chin Soon ( <i>Executive Deputy Chairman</i> )                | Ordinary resolution 4 |
| ii | Mr Tan Hing Ming @ Chin Hing Ming ( <i>Group Managing Director</i> ) | Ordinary resolution 5 |

Provided always that:-

- (a) he/ she must not participate in the deliberation or discussions of his/ her own allocation;
- (b) the allocation to him/ her, who either individually or collectively, through persons connected with him/ her, holds 20% or more of the total number of issued shares of CWG (excluding treasury shares, if any), must not exceed 10% of the total number of new CWG Shares to be issued under the Proposed ESOS; and
- (c) subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the Bylaws of the Proposed ESOS, the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time.

**THAT** at any one time during the duration of the ESOS, not more than 70% of the total number of ESOS Options available under the Proposed ESOS could be allocated, in aggregate to the Executive Directors and senior management of CWG and/or its subsidiary companies, other than subsidiary companies which are dormant, pursuant to the Proposed ESOS.

**AND THAT** the Board is also authorised to allot and issue the corresponding number of new CWG Shares arising from the exercise of the ESOS Options that may be granted to him/ her under the Proposed ESOS."

### By Order of the Board

**ONG TZE-EN (MAICSA 7026537)**  
**(SSM PC No. 202008003397)**  
**LENG LI MEI (MAICSA 7062371)**  
**(SSM PC No. 202008000276)**

Company Secretaries  
Penang  
10 January 2022

#### Notes:-

1. A proxy may but need not be a member of the Company and a member shall be entitled to appoint up to two (2) persons to be his proxy(ies). Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
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. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
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 the corporation's seal or under the hand of an officer or attorney duly authorised.

5. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the meeting:*
  - (i) *In hard copy form*  
*The proxy form must be deposited at the Company's Registered Office at 6428, Lorong Mak Mandin Tiga, Mak Mandin Industrial Estate, 13400 Butterworth, Penang.*
  - (ii) *By electronic means*  
*The proxy form can be electronically submitted to the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide on the procedure of electronic submission of proxy form via TIIH Online.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 January 2022 (General Meeting Record of Depositors) shall be eligible to attend the EGM or appoint proxy(ies) to attend and/or vote on his behalf.*



## PROXY FORM

**CWG HOLDINGS BERHAD**  
201601035444 (1206385-W)

No. of Shares Held

CDS Account No.

Telephone No.: \_\_\_\_\_  
(During office hours)

I/We, \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_  
(Full name in block letters)

of \_\_\_\_\_  
(Address)

being a Member(s) of CWG Holdings Berhad, hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

and

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at The Light Hotel, Lebuh Tenggiri 2, Bandar Seberang Jaya, 13700 Seberang Jaya, Penang on Tuesday, 25 January 2022 at 11.00 am, or at any adjournment thereof.

Ordinary Resolutions		For	Against
1	Proposed Private Placement		
2	Proposed Bonus Issue of Warrants		
3	Proposed ESOS		
4	Proposed Allocation of ESOS Options to Ooi Chin Soon		
5	Proposed Allocation of ESOS Options to Tan Hing Ming @ Chin Hing Ming		

Please indicate with an "X" in the spaces provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Signature of Member(s) or/ Common Seal

### Notes:

- A proxy may but need not be a member of the Company and a member shall be entitled to appoint up to two (2) persons to be his proxy(ies). Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 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. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 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 the corporation's seal or under the hand of an officer or attorney duly authorised.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the meeting:



- (i) In hard copy form  
The proxy form must be deposited at the Company's Registered Office at 6428, Lorong Mak Mandin Tiga, Mak Mandin Industrial Estate, 13400 Butterworth, Penang.
- (ii) By electronic means  
The proxy form can be electronically submitted to the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide on the procedure of electronic submission of proxy form via TIIH Online.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 January 2022 (General Meeting Record of Depositors) shall be eligible to attend the EGM or appoint proxy(ies) to attend and/or vote on his behalf.

**Personal Data Privacy**

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

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AFFIX  
STAMP

**CWG HOLDINGS BERHAD**

201601035444 (1206385-W)

The Company Secretaries  
6428, Lorong Mak Mandin Tiga  
Mak Mandin Industrial Estate  
13400 Butterworth, Penang

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Fold This Flap For Sealing

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