

THIS INDEPENDENT ADVICE CIRCULAR (“IAC”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS IAC IN CONJUNCTION WITH THE OFFER DOCUMENT DATED 20 MARCH 2024 ISSUED BY MAYBANK INVESTMENT BANK BERHAD ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN) WHICH HAS BEEN SENT TO YOU.

If you are in any doubt as to the action to be taken in relation to the Offer (as defined herein), please consult your stockbroker, solicitor, bank manager, accountant or other professional adviser immediately. If you have sold or transferred all your Offer Shares (as defined herein) in Central Cables Berhad, you should at once hand this IAC to the purchaser or stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee of such Offer Shares.

Pursuant to Rule 11 of the Rules on Take-overs, Mergers and Compulsory Acquisitions, the Securities Commission Malaysia (“SC”) has notified that it has no further comments on the contents of this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendation of the Board of Directors of Central Cables Berhad and the recommendation of DWA Advisory Sdn Bhd or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.



CENTRAL CABLES BERHAD

(Registration No.: 196701000235 (7169-A))
(Incorporated in Malaysia)

INDEPENDENT ADVICE CIRCULAR TO THE HOLDERS

IN RELATION TO THE UNCONDITIONAL MANDATORY TAKE-OVER OFFER

BY

KUB MALAYSIA BERHAD (“OFFEROR”)

(Registration No.: 196501000205 (6022-D))
(Incorporated in Malaysia)

THROUGH

MAYBANK INVESTMENT BANK BERHAD

TO ACQUIRE

ALL THE REMAINING ORDINARY SHARES IN CENTRAL CABLES BERHAD NOT ALREADY OWNED BY THE OFFEROR (“OFFER SHARES”) AT THE OFFER PRICE OF RM2.60037 PER OFFER SHARE TO BE SATISFIED EITHER VIA:

- (I) A WHOLLY CASH CONSIDERATION OF RM2.60037 FOR EVERY 1 OFFER SHARE SURRENDERED; OR**
- (II) A SECURITIES EXCHANGE BASED ON AN EXCHANGE RATIO OF 4.33395 NEW REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN KUB MALAYSIA BERHAD (“RCPS”) TO BE ISSUED AT AN ISSUE PRICE OF RM0.60 PER RCPS FOR EVERY 1 OFFER SHARE SURRENDERED**

(TO BE REFERRED TO AS “OFFER”).

Independent Adviser



(Registration No.: 201301002419 (1032257-D))

This Independent Advice Circular is dated 1 April 2024

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, the following definitions shall apply throughout this IAC:

Accepting Holders	:	Holders who accept the Offer in accordance with the terms and conditions of the Offer Document, including any revision thereof
Acquisition	:	Acquisition by the Offeror of 45,924,632 CCB Shares, representing approximately 86.65% equity interest in the Offeree, for a purchase consideration of RM119.42 million satisfied wholly via the issuance of 199,035,059 new RCPS at an issue price of RM0.60 per RCPS to JAG, in accordance with the terms and conditions of the SPA
Act	:	Companies Act 2016
ANJ	:	Amir Nashrin Bin Johari, a son of DSJ
ARJ	:	Amir Rasyidi Bin Johari, a son of DSJ
Board	:	Board of Directors of CCB
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Cable Manufacturing Business	:	Business of manufacturing and distribution of power cables and wires
Cash Option	:	Wholly cash consideration of RM2.60037 for every one (1) Offer Share surrendered
CCB or the Offeree	:	Central Cables Berhad (Registration No. 196701000235 (7169-A))
CCB Group or Group	:	Collectively, CCB and its subsidiaries
CCB Share(s) or the Share(s)	:	Ordinary share(s) in CCB
Closing Date	:	(i) First Closing Date; or (ii) if the Offer is revised or extended in accordance with the Rules and the terms and conditions of the Offer Document, such other extended closing date as the Offeror may decide and as may be announced by Maybank IB on behalf of the Offeror, at least 2 days before the Closing Date, as the case may be
CMSA	:	Capital Markets and Services Act 2007
DWA Advisory or Independent Adviser	:	DWA Advisory Sdn Bhd (Registration No.: 201301002419 (1032257-D)), being the independent adviser appointed by the Board (save for the Interested Directors) in accordance with paragraph 3.06 of the Rules to advise the Non-Interested Directors and the Holders in relation to the Offer
Dissenting Holders	:	Holder(s) who have not accepted the Offer and/or failed or refused to transfer their Offer Shares to the Offeror in accordance with the terms and subject to the conditions of the Offer Document

DEFINITIONS (CONT'D)

Distribution	:	Any dividend and/or other distribution of any nature declared, made and/or paid by the Offeree to its shareholders, on or after the date of the Notice but prior to the Closing Date
DSJ	:	Datuk Seri Johari Bin Abdul Ghani
DZH	:	Datin Seri Zurwati Haslinda Binti Zainal Bahry
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
EV	:	Enterprise Value
First Closing Date	:	5.00 p.m. (Malaysian time) on 12 April 2024, being 23 days from the Posting Date, as the 21 st day falls on a non-Market Day, the timeline is extended in accordance with the Rules
Form of Acceptance and Transfer	:	Form of acceptance and transfer for the Offer Shares, as enclosed with the Offer Document
FPE	:	Financial period ended/ ending
FYE	:	Financial year ended/ ending
Holder(s)	:	Holder(s) of the Offer Shares
IAC	:	Independent advice circular dated 1 April 2024 to the Holders in relation to the Offer, comprising the Letter from the Board (as contained in Part A of this IAC), IAL from DWA Advisory (as contained in Part B of this IAC) and the accompanying appendices
IAL	:	Independent advice letter dated 1 April 2024 to the Holders as contained in Part B of this IAC
JAG	:	JAG Capital Holdings Sdn Bhd (Registration No. 200401007748 (646252-M))
Interested Directors	:	ANJ, being a son of DSJ and a director of KUB and ZZB being the brother of DZH
KM	:	Kilometre
KUB or the Offeror	:	KUB Malaysia Berhad (Registration No. 196501000205 (6022-D))
KUBAH	:	KUB Agro Holdings Sdn Bhd (Registration No. 197901002890 (47135-V))
KUB Board	:	Board of Directors of KUB
KUB Group or Offeror Group	:	Collectively, KUB and its subsidiaries
KUB MGO	:	Conditional mandatory take-over offer by JAG, through Maybank IB, to acquire the KUB Offer Securities at the following offer prices, to be satisfied in cash in accordance with the terms and conditions of the KUB Offer Document: (i) offer price of RM0.60 per KUB Offer Share; and (ii) offer price of RM0.60 per KUB Offer RCPS

DEFINITIONS (CONT'D)

KUB Notice	:	Written notice of the conditional voluntary take-over offer dated 8 January 2024 served on the KUB Board by Maybank IB on behalf of JAG to acquire the KUB Offer Securities
KUB Offer Document	:	The offer document dated 29 January 2024 which sets out the details of the KUB MGO together with the form of acceptance and transfer enclosed therein
KUB Offer RCPS	:	All the RCPS that may be issued to the Holders who opt for the Securities Option under the Offer prior to the closing date of the KUB MGO
KUB Offer Securities	:	Collectively, the KUB Offer Shares and the KUB Offer RCPS
KUB Offer Shares	:	All the remaining KUB Shares not already owned by JAG, DSJ, DZH and persons acting in concert, and such number of new KUB Shares that may be issued pursuant to the conversion of the RCPS by the holders of the Offer Shares who opt for the Securities Option under the Offer prior to the closing date of the KUB MGO
KUBS	:	KUB Sepadu Sdn Bhd (Registration No. 199601019820 (392172-H))
LFTD 1	:	20 November 2023, being the last full trading day prior to the date of the SPA
LFTD 2	:	27 February 2024, being the last full trading day prior to the date of the Notice
LPD	:	22 March 2024, being the latest practicable date, which is not more than 7 days before the date of this IAC
LPG	:	Liquified petroleum gas
Market Day(s)	:	Day(s) on which Bursa Securities is open for trading in securities
Maybank IB or Principal adviser	:	Maybank Investment Bank Berhad (Registration No. 197301002412 (15938-H))
NA	:	Net assets
Non-Interested Directors	:	Directors of CCB (excluding the Interested Directors who has abstained and will continue to abstain from deliberations and making any recommendation in relation to the Offer)
Non-Resident Holder(s)	:	Holder (including without limitation, any custodians, agents, representatives, nominees and trustees) who is a citizen or national of, or residents in, or has a registered address in jurisdiction outside Malaysia, or is incorporated or registered with, or approved by any authority outside Malaysia, or is a non-resident within the definition prescribed under the Financial Services Act 2013
Notice	:	Notice of the Offer dated 28 February 2024, served on the Board by Maybank IB on behalf of the Offeror
Offer	:	Unconditional mandatory take-over offer by the Offeror, through Maybank IB, to acquire the Offer Shares at the Offer Price to be satisfied either via the Cash Option or the Securities Option, in accordance with the terms and conditions of the Offer Document
Offer Document	:	The document dated 20 March 2024 which contains the details of the Offer together with the enclosed Form of Acceptance and Transfer
Offer Document LPD	:	13 March 2024, being the latest practicable date prior to the Posting Date

DEFINITIONS (CONT'D)

Offer Period	:	Period commencing from 21 November 2023, being the date of the SPA pursuant to paragraph 2.01 of the Rules, until the earlier of either: (i) the Closing Date; or (ii) the date on which the Offer lapses or is withdrawn with the written consent of the SC
Offer Price	:	RM2.60037 per Offer Share
Offer Share(s)	:	All the remaining CCB Shares not already owned by the Offeror. As at the Offer Document LPD, the Offer Shares comprise of 7,075,368 CCB Shares, representing approximately 13.35% of the total number of CCB Shares in issue
PACs	:	Persons acting in concert with the Offeror in relation to the Offer as at the Offer Document LPD in accordance with subsections 216(2) and 216(3) of the CMSA
PAT	:	Profit after tax
PBT	:	Profit before tax
Posting Date	:	20 March 2024, being the date of posting of the Offer Document
Power Business	:	General building works and civil engineering services within the power industry, including substation and transmission line, construction, supply and installation of electrical infrastructure, and electrical maintenance contracts
Proposals	:	Collectively, the Acquisition, diversification in operations carried out by the KUB Group arising from the Acquisition, the amendments to the constitution of KUB and the Offer. For further details, please refer to the circular dated 6 February 2024 issued by KUB in relation to the Proposals
Purchase Consideration	:	Being RM119.42 million in relation to the Acquisition
RCPS	:	Redeemable convertible preference shares in the Offeror
RCPS Issue Price	:	RM0.60 per RCPS
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions of the SC
SC	:	Securities Commission Malaysia
Securities Option	:	New RCPS based on an exchange ratio of 4.33395 new RCPS to be issued at an issue price of RM0.60 per RCPS for every one (1) Offer Share surrendered
Settlement Revision	:	Variation of the mode of settlement of the Purchase Consideration from the issuance of the new KUB Shares at an issue price of RM0.60 per KUB Share to the issuance of 199,035,059 new RCPS at an issue price of RM0.60 per RCPS
SOPV	:	Sum of parts valuation
SPA	:	Conditional sale and purchase agreement in relation to the Acquisition between the Offeror and JAG dated 21 November 2023, as supplemented by the Supplemental SPA

DEFINITIONS (CONT'D)

Supplemental SPA	:	Supplemental agreement to the SPA to effect the Settlement Revision between the Offeror and JAG dated 8 January 2024
Undertakings	:	Irrevocable undertakings provided by ANJ and ARJ dated 28 February 2024 to accept the Offer in respect of one (1) Offer Share held by each of them, which shall be satisfied wholly via the Cash Option
Valid Acceptances	:	Acceptance of the Offer by a Holder in accordance with the terms and conditions of the Offer Document, which is deemed by the Offeror to be valid and complete in all respects
VWAMP	:	Volume weighted average market price
ZZB	:	Zakrysham Bin Zainal Bahry, being the brother of DZH

CURRENCIES

IDR	:	Indonesian rupee
RM and sen	:	Ringgit Malaysia and sen
SGD	:	Singapore dollar
THB	:	Thai baht
VND	:	Vietnamese dong

In this IAC, the words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include companies or corporations, unless otherwise specified.

Where a period specified in the Rules, as appearing in this IAC, ends on a day which is not a Market Day, the period is extended until the next Market Day.

All references to “**you**” or “**Holder**” in this IAC are to each Holder, being the person to whom the Offer is being made.

All references to “**we**”, “**us**” and “**our**” in this IAC, save for the letter from the Board (as contained in Part A of this IAC), are to DWA Advisory, being the Independent Adviser for the Offer.

All references to dates and times in this IAC shall be references to Malaysian dates and times, unless otherwise indicated.

Any reference in this IAC to any enactment or guideline in this IAC is a reference to that enactment or guideline as amended or re-enacted from time to time.

Any discrepancies in the tables included in this IAC between the amounts stated, actual figures and the totals thereof are due to rounding, unless otherwise stated.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE OFFER. HOLDERS ARE ADVISED TO READ CAREFULLY BOTH PART A: LETTER FROM THE BOARD AND PART B: IAL FROM DWA ADVISORY FOR THEIR VIEWS AND RECOMMENDATIONS IN RELATION TO THE OFFER. THIS IAC SHOULD ALSO BE READ TOGETHER WITH THE OFFER DOCUMENT.

1. INTRODUCTION

On 21 November 2023, Maybank IB had, on behalf of the Offeror, announced that the Offeror has on even date entered into a conditional share purchase agreement for the proposed acquisition of 45,924,632 CCB Shares, representing approximately 86.65% equity interest in the Offeree, for a purchase consideration of RM119.42 million to be satisfied wholly via the issuance of 199,035,059 new KUB Shares at an issue price of RM0.60 per KUB Share to JAG.

However, on 8 January 2024, Maybank IB had, on behalf of the Offeror, announced that the Offeror has on even date entered into the Supplemental SPA with JAG to effect the Settlement Revision.

On 28 February 2024, the SPA became unconditional and accordingly, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, the Offeror is obliged to extend an unconditional mandatory take-over offer to acquire all the remaining ordinary shares in CCB not already held by the Offeror.

Consequently, on behalf of the Offeror, Maybank IB had on 28 February 2024 served the Notice on the Board. The Offeree had on even date, announced via press notice the receipt of the Notice, a copy of which was despatched the Holders on 5 March 2024.

The Acquisition was completed on 28 February 2024 following the allotment and issuance of the 199,035,059 new RCPS by the Offeror to JAG. Following the completion of the Acquisition, the direct shareholding of the Offeror in the Offeree has increased from nil to approximately 86.65%.

Please refer to Section 1.1 of the Offer Document for the chronology of events for the KUB MGO.

There is no ultimate offeror for the Offer.

Pursuant to subsections 216(2) and 216(3) of the CMSA, the persons acting in concert with the Offeror for purposes of the Offer as at the Offer Document LPD are JAG, DSJ, ANJ and ARJ. Please refer to Section 1 of Part A of this IAC for the details of the relationship between the Offeror and the PACs.

For the avoidance of doubt, the Offer will also be extended to the PACs.

Please refer to Section 1 of Part A of this IAC for the direct and indirect shareholdings of the Offeror and the PACs in the Offeree following the completion of the Acquisition, as at the Offer Document LPD.

Following the Notice, ANJ and ARJ had via their letters to KUB dated 28 February 2024 irrevocably and unconditionally undertaken to accept the Offer which shall be satisfied wholly via the Cash Option.

On 5 March 2024, in accordance with paragraph 3.06 of the Rules, the Board (save for the Interested Directors) had appointed DWA Advisory as the independent adviser to provide its comments, opinion, information and recommendation to the Holders in respect of the Offer.

Subsequently, DWA Advisory had vide its letter dated 6 March 2024 declared its independence from any conflict of interest or potential conflict of interests in its capacity as Independent Adviser in relation to the Offer.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had, vide its letter dated 29 March 2024 notified that it has no further comments on this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

You should have by now received a copy of the Offer Document, which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance and method of settlement of the Offer which have been published on the SC's website at <https://www.sc.com.my/api/documentms/download.ashx?id=da370ded-9b0d-445f-b7a8-ac73cfcba239>.

The purpose of this IAC is to provide you with relevant information on the Offer, the Non-Interested Directors' views and recommendation on the Offer as well as the views and recommendation of DWA Advisory.

You are advised to read both this IAC and the Offer Document and consider carefully the recommendations contained herein before taking any action.

2. TERMS AND CONDITIONS OF THE OFFER

For avoidance of doubt, you do not need to take action if you do not wish to accept the Offer. The terms and conditions of the Offer are set out below:

2.1 Consideration for the Offer

The consideration for the Offer Shares will be satisfied either via the following at the election of the Accepting Holders:

- (a) Cash Option; or
- (b) Securities Option,

where:

- (a) in respect of the Cash Option, fractions of a sen will be rounded up to the nearest whole sen; and
- (b) in respect of the Securities Option, fractions of a RCPS will be rounded down to the nearest whole RCPS and the Offeror will pay cash (rounded up to the nearest whole sen) for the balance fractional entitlement to the new RCPS based on the issue price of RM0.60 per RCPS,

(items (a) and (b) to be referred to as "**Fractional Treatment**").

However, if the Offeree declares, makes and/or pays any Distribution declared on or after the date of the Notice but prior to the Closing Date and the Holders are entitled to retain such Distribution, the Offer Price will be reduced by an amount equivalent to the net Distribution for each Offer Share that such Holders are entitled to retain. For avoidance of doubt, no adjustment shall be made to the Offer Price in the event that the entitlement date for the Distribution is after the Closing Date.

The Offeree has not announced any declaration of any Distribution that is payable on or after the date of the Notice up to the day prior to the Posting Date.

Holders may accept the Offer in respect of all or part of their Offer Shares.

The Offeror will not pay fractions of a sen (should the Holders elect for the Cash Option) or issue fractions of new RCPS (should the Holders elect for the Securities Option) to the Accepting Holders. In this regard, where applicable, the Offeror shall apply the Fractional Treatment, based on the mode of settlement to be elected by the Accepting Holders.

An illustration of the consideration receivable by a Holder assuming he/she holds only one (1) Offer Share, based on the Fractional Treatment is as follows:

Elected consideration	Consideration to be received
Cash Option	: RM2.60037 Since fractions of a sen will be rounded up to the nearest whole sen, such holder of the Offer Share will receive RM2.61.
Securities Option	: 4.33395 new RCPS to be satisfied by way of: (i) 4 new RCPS; and (ii) RM0.21 in cash (which was arrived at based on 0.33395 RCPS multiplied by the issue price of RM0.60 per RCPS and rounded up to the nearest sen) (" Fractional Cash Balance "). Therefore, the total value of the consideration to be received by the said holder of the Offer Share will be RM2.61 based on the total sum of the value of 4 new RCPS to be issued at the issue price of RM0.60 per RCPS and cash payment of RM0.21.

The Offer Price is equivalent to the Purchase Consideration per CCB Share paid by the Offeror for the Acquisition. Further, the Offer Price is not less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the Offeror and the PACs for any CCB Shares during the Offer Period and also within six (6) months prior to the beginning of the Offer Period. In this regard, the Offer Price is in compliance with subparagraph 6.03(1) of the Rules.

Please refer to Section 2.1 of the Offer Document for the basis of arriving to the Offer Price.

2.2 Condition of the Offer

The Offer is not conditional upon the receipt by the Offeror of any minimum level of valid acceptances of the Offer Shares as the Offeror and the PACs already hold more than 50.00% of the voting shares in the Offeree. As at the LPD, the Offeror and the PACs hold in aggregate 45,924,634 CCB Shares representing approximately 86.65% of voting shares in CCB.

2.3 Duration of the Offer

The Offer will remain open for acceptances until 5.00 p.m. Malaysian time on 12 April 2024, being the First Closing Date, unless extended or revised in accordance with the Rules. Any such extension will be announced by Maybank IB, on behalf of the Offeror, at least two (2) days before the Closing Date. Notice of such extension will be posted to the Holders accordingly.

Please refer to Section 2 of Appendix I of the Offer Document for further details on the duration of the Offer.

2.4 Method of settlement

Except with the consent of the SC and save for the Offeror's rights to reduce the Offer Price as set out in Section 2.1 of the Offer Document, settlement of the Offer in full will be effected in accordance with the terms of the Offer without regard to any lien, right of set-off, counter-claim or other analogous rights to which the Offeror may be entitled against the Accepting Holder. This, however, is without prejudice to the Offeror's rights to make any claim against the Accepting Holder after such full settlement in respect of a breach of any of the warranties as set out in Section 1 of Appendix I of the Offer Document.

The settlement of the consideration for the Offer Shares to which such Valid Acceptances relate will be effected in the following manner:

Cash Option	Securities Option
Remittance in the form of cheque, banker's draft and/or cashier's order which will be posted by ordinary mail to the Accepting Holders (or their designated agents, as they may direct), at their own risk, within 10 days from the date of such Valid Acceptances or such other period as may be allowed by the SC.	<p>Via the allotment and issuance of the requisite number of new RCPS to the Accepting Holders within 14 days from the date of such Valid Acceptances or such other period as may be allowed by the SC, together with the cash payment for Fractional Cash Balance.</p> <p>Physical share certificates will be despatched to the Accepting Holders via ordinary mail.</p>

Non-Resident Holders are advised that the settlement for the acceptance of the Offer will be made in RM or in the form of RCPS which are denominated in RM. Non-Resident Holders who wish to convert the consideration received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective financial institutions.

Please refer to Appendix I of the Offer Document for further information on the other terms and conditions of the Offer and Appendix II of the Offer Document for details on the procedures for acceptance and method of settlement of the Offer.

3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, save for the Undertakings, the Offeror has not received any irrevocable undertaking from any other Holder to accept or reject the Offer.

As at the LPD, there has been no announcement made by Maybank IB, on behalf of the Offeror, of any acceptance of the Offer Shares.

To the best knowledge of the Board, based on information available to the Board as at the LPD (including publicly available information and the disclosures in the Offer Document), the Offeror and PACs have not dealt in CCB Shares from the date of the Notice up to the LPD, save for the Acquisition.

As at the LPD, the Offeror and PACs hold, in aggregate, 45,924,634 CCB Shares, representing approximately 86.65% equity interest in CCB.

4. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules whereby:

- (i) in relation to a take-over offer, the term "fair and reasonable" should generally be analysed as 2 distinct criteria i.e., whether the offer is "fair" and whether the offer is "reasonable", rather than as a composite term;

- (ii) the take-over offer is considered “fair” if the offer price (or value of consideration) is equal to or higher than the market price and is also equal to or higher than the value of the securities of the offeree. However, if the offer price (or value of consideration) is equal to or higher than the market price but is lower than the value of the securities of the offeree, the take-over offer is considered as “not fair”. In making the assessment, the value of the securities of the offeree is determined based on the assumption that 100.00% of the offeree is being acquired;
- (iii) pursuant to paragraph 4 of Schedule 2: Part III of the Rules, in considering whether a take-over offer is “reasonable”, the independent adviser should take into consideration matters other than the valuation of the securities that are subject of the take-over offer. A take-over offer would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for shareholders to accept the take-over offer despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained; and
- (iv) in the event that the independent adviser concludes that the Offer is “not fair but reasonable”, the independent adviser must clearly explain the following:
 - (a) what is meant by “not fair but reasonable”;
 - (b) how has the independent adviser reached this conclusion; and
 - (c) the course of action that the shareholders are recommended to take pursuant to the conclusion.

4.1 Fairness of the Offer

Fairness evaluation of the Cash Option

Based on our analysis as set out in **Section 6.1 of Part B of this IAC**, we noted that the Offer Price of RM2.60037, represents a **premium** of approximately RM0.14 or 5.69% over the fair value per CCB Share of RM2.46.

Premised on the above, we are of the view that the Offer based on the Cash Option is **FAIR**. In arriving at this view, we have not considered the market price of CCB Shares as CCB is not listed on Bursa Securities or any other stock exchange and therefore there is no market price to be referred to.

Fairness evaluation of the Securities Option

Based on our analysis as set out in **Sections 6.2 and 6.3 of Part B this IAC**, we noted the following:

Based on the fair value of CCB Share of RM2.46, the fair value of the RCPS of RM0.98 and the Exchange Ratio, the resultant exchange ratio for the Securities Option is 2.51. In comparing the resultant exchange ratio, we noted that the Exchange Ratio of the Securities Option of 4.33395 is higher than the resultant exchange ratio. Holders are therefore receiving more RCPS in exchange for CCB Shares.

Premised on the above, we are of the view that the Offer based on the Securities Option is **FAIR**.

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4.2 Reasonableness of the Offer

Based on our evaluation in Section 7 of Part B of this IAC, we have taken into consideration the following factors:

- (i) the Offeror intends to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares for which acceptances have not been received;
- (ii) as at the LPD, save for the Offer, CCB has not received any competing offer for CCB Shares or any other offer to acquire the assets and liabilities of CCB. Further, in view that the Offeror and the PACs collectively hold a controlling stake of 86.65% in CCB, any competing offer will not be successful unless with the support of the Offeror and the PACs; and
- (iii) the Offer represents an opportunity to the Holders to realise their investment in CCB for cash or continue to participate in the future growth of CCB as well as other businesses of the KUB Group via their shareholdings in KUB upon conversion of the RCPS into KUB Shares by the respective Holders who elect for the Securities Option. Such Holders will also be exposed to KUB Group's other business segments such as the LPG Segment, Agro Segment, ICT Segment, Power Segment and Other Segment (please refer to Section 6.2.1 of Part B of this IAC for further details on the KUB Group's business segments). Holders may not otherwise have the opportunity to realise their investment as there is no active market for the unlisted CCB Shares.

Premised on the above, we are of the view that the Offer is **REASONABLE**.

5. CONCLUSION AND RECOMMENDATION

5.1 DWA Advisory's conclusion and recommendation

In arriving at our recommendation, we have reviewed and evaluated the factors which we deemed to have significant relevance to our assessment of the Offer.

We are of the opinion that the Offer in respect of the Cash Option is **FAIR AND REASONABLE** and the Offer in respect of the Securities Option is **FAIR AND REASONABLE**.

Accordingly, DWA Advisory:

- (a) advises the Non-Interested Directors to recommend to the Holders to **ACCEPT** the Offer; and
- (b) recommends that the Holders **ACCEPT** the Offer.

Based on the above, it is pertinent to note that Holders who wish to accept the Offer can choose either Cash Option or Securities Option as method of settlement.

Between the Cash Option and the Securities Option, we are of the view that the Securities Option is more favourable as the Offer Price of RM2.60037 represents a discount of approximately RM1.65 or 38.82% to the implied offer price of the Offer Shares of RM4.25 based on the fair value of the RCPS of RM0.98 and the Exchange Ratio as compared to a premium of RM0.14 or 5.69% of the Offer Price to the fair value per CCB Share of RM2.46 for the Cash Option.

Accordingly, we advise and recommend that Holders **ACCEPT** the Offer **by electing the Securities Option**. Holders who elect for this option whilst being able to continue participating in the CCB Group via KUB's interest in CCB upon conversion of the RCPS received into new KUB Shares, should be aware that they will be exposed to KUB Group's other business segments such as the LPG Segment, Agro Segment, ICT Segment, Power Segment and Other Segment.

5.2 Non-Interested Directors' conclusion and recommendation

After careful examination of the terms and conditions of the Offer as contained in the Offer Document and taking into consideration the evaluation and recommendation of DWA Advisory, the Non-Interested Directors **CONCUR** with the evaluation and recommendation of DWA Advisory that the Offer in respect of the Cash Option is **FAIR AND REASONABLE** and the Offer in respect of the Securities Option is **FAIR AND REASONABLE**.

Accordingly, the Non-Interested Directors recommend that the Holders **ACCEPT** the Offer.

Based on the above, it is pertinent to note that Holders who wish to accept the Offer can choose either Cash Option or Securities Option as method of settlement.

Between the Cash Option and the Securities Option, the Non-Interested Directors are of the view that the Securities Option is more favourable as the Offer Price of RM2.60037 represents a discount of approximately RM1.65 or 38.82% to the implied offer price of the Offer Shares of RM4.25 based on the fair value of the RCPS of RM0.98 and the Exchange Ratio as compared to a premium of RM0.14 or 5.69% of the Offer Price to the fair value per CCB Share of RM2.46 for the Cash Option.

Accordingly, the Non-Interested Directors recommend that Holders **ACCEPT** the Offer **by electing the Securities Option**. Holders who elect this option whilst being able to continue participating in the CCB Group via KUB's interest in CCB upon conversion of the RCPS received into new KUB Shares, should be aware that they will be exposed to KUB Group's other business segments such as the LPG Segment, Agro Segment, ICT Segment, Power Segment and Other Segment.

However, the decision to be made will depend entirely on the Holders' risk appetite and specific preference as well as their expectation of the future performance of the CCB Group under the control of the Offeror.

Holdes should also be mindful that there may be continuous fluctuations in the market prices of KUB Shares prior to the Closing Date. As such, Holders are advised to closely monitor the market price and information/announcements in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer.

6. IMPORTANT DATES AND EVENTS

The important relevant dates in relation to the Offer are as follows:

Events	Dates
Notice served on the Board	28 February 2024
Posting of the Offer Document	20 March 2024
Last day for the Issuance of this IAC ⁽¹⁾	1 April 2024
First Closing Date ⁽²⁾	12 April 2024

Notes:

⁽¹⁾ The last day to issue this IAC falls on Saturday, 30 March 2024, which is not a Market Day. In accordance with paragraph 2.03 of the Rules, the period is extended to Monday, 1 April 2024.

⁽²⁾ 12 April 2024, being 23 days from the Posting Date. The Offer will remain open for acceptances until 5:00 p.m. on the Closing Date, or if the Offer is revised or extended in accordance with the Rules and the terms and conditions of the Offer Document, such other revised or extended closing date as the Offeror may decide and as may be announced by Maybank IB, on behalf of the Offeror, at least 2 days before the closing date. Notice of any extension will be posted to the Holders accordingly.

EXECUTIVE SUMMARY (CONT'D)

HOLDERS ARE ADVISED TO READ THE OFFER DOCUMENT AND THIS IAC THOROUGHLY, FOR MORE INFORMATION AND NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE OFFER.

HOLDERS ARE ADVISED TO CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THE OFFER DOCUMENT AND THIS IAC BEFORE MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

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PART A

LETTER FROM THE BOARD



CENTRAL CABLES BERHAD
(Registration No.: 196701000235 (7169-A))
(Incorporated in Malaysia)

Registered Office:

Suite C-5-4, Wisma Goshen
Jalan Pantai Baharu, Plaza Pantai
59200, Kuala Lumpur

1 April 2024

Board of Directors:

Dato' Sri Zohari Bin Akob (Director)
Zakrysham Bin Zainal Bahry (Director)
Mohd Aizat Bin Mohd Yusoff (Director)
Amir Nashrin Bin Johari (Director)

To: The Holders

Dear Sir/ Madam,

UNCONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR, THROUGH MAYBANK IB, TO ACQUIRE THE OFFER SHARES AT THE OFFER PRICE TO BE SATISFIED EITHER VIA THE CASH OPTION OR THE SECURITIES OPTION

1. INTRODUCTION

On 21 November 2023, Maybank IB had, on behalf of the Offeror, announced that the Offeror has on even date entered into a conditional share purchase agreement for the proposed acquisition of 45,924,632 CCB Shares, representing approximately 86.65% equity interest in the Offeree, for a purchase consideration of RM119.42 million to be satisfied wholly via the issuance of 199,035,059 new KUB Shares at an issue price of RM0.60 per KUB Share to JAG.

On 8 January 2024, Maybank IB had, on behalf of the Offeror, announced that the Offeror had on the date entered into a supplemental SPA with JAG to effect the Settlement Revision.

On 28 February 2024, the SPA became unconditional and accordingly, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, the Offeror is obliged to extend an unconditional mandatory take-over offer to acquire all the remaining ordinary shares in CCB not already held by the Offeror.

Consequently, on behalf of the Offeror, Maybank IB had on 28 February 2024 served the Notice on the Board. The Offeree had on even date, announced via press notice the receipt of the Notice, a copy of which was despatched the Holders on 5 March 2024.

The Acquisition was completed on 28 February 2024 following the allotment and issuance of the 199,035,059 new RCPS by the Offeror to JAG. Following the completion of the Acquisition, the direct shareholding of the Offeror in the Offeree has increased from nil to approximately 86.65%.

Please refer to Section 1.1 of the Offer Document for the chronology of event for the KUB MGO.

There is no ultimate offeror for the Offer.

Pursuant to subsections 216(2) and 216(3) of the CMSA, the persons acting in concert with the Offeror for purposes of the Offer as at the Offer Document LPD are as follows:

No.	Name	Relationship between the Offeror and PACs
1.	JAG	<ul style="list-style-type: none"> Owns or controls more than 20.00% of the Offeror pursuant to paragraph 216(3)(f) of the CMSA.
2.	DSJ	<ul style="list-style-type: none"> The controlling shareholder in JAG; The former Chairman and Non-Independent Non-Executive Director of the Offeror (up until his resignation on 12 December 2023); and The father of ANJ and ARJ.
3.	ANJ	<ul style="list-style-type: none"> A son of DSJ and the brother of ARJ; A director of JAG, KUB and CCB; and A shareholder of CCB.
4.	ARJ	<ul style="list-style-type: none"> A son of DSJ and the brother of ANJ; A director of JAG; and A shareholder of CCB.

For the avoidance of doubt, the Offer will also be extended to the PACs.

As at the Offer Document LPD, the direct and indirect shareholdings of the Offeror and the PACs in the Offeree following the completion of the Acquisition are as follows:

	Direct		Indirect	
	No. of CCB Shares	% ⁽¹⁾	No. of CCB Shares	% ⁽¹⁾
<u>Offeror</u>				
KUB	45,924,632	86.65	-	-
<u>PACs</u>				
JAG	-	-	45,924,632	86.65 ⁽²⁾
DSJ	-	-	45,924,632	86.65 ⁽³⁾
ANJ	1	-*	-	-
ARJ	1	-*	-	-

Notes:

* Negligible.

⁽¹⁾ Based on the 53,000,000 outstanding CCB Shares as at the LPD.

⁽²⁾ Deemed interest by virtue of its shareholding in KUB pursuant to Section 8 of the Act.

⁽³⁾ Deemed interest by virtue of his shareholding in JAG pursuant to Section 8 of the Act.

Following the Notice, the following PACs had via their letters to KUB dated 28 February 2024 irrevocably and unconditionally undertaken to accept the Offer which shall be satisfied wholly via the Cash Option:

	Direct		Indirect	
	No. of CCB Shares	%	No. of CCB Shares	%
ANJ	1	-*	-	-
ARJ	1	-*	-	-

Note:

* *Negligible.*

On 5 March 2024, in accordance with paragraph 3.06 of the Rules, the Board (save for the Interested Directors) had appointed DWA Advisory as the independent adviser to provide its comments, opinion, information and recommendation to the Holders in respect of the Offer.

Subsequently, DWA Advisory had vide its letter dated 6 March 2024 declared its independence from any conflict of interest or potential conflict of interests in its capacity as Independent Adviser in relation to the Offer.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had vide its letter dated 29 March 2024 notified that it has no further comments on this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

You should have by now received a copy of the Offer Document, which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance and method of settlement of the Offer which have been published on the SC's website at <https://www.sc.com.my/resources/take-overs-related-publications-announcements/take-overs-and-mergers-announcements-documents>.

The purpose of this IAC is to provide you with relevant information on the Offer, the Non-Interested Directors' views and recommendation on the Offer together with the views and recommendation of DWA Advisory.

You are advised to read both this IAC and the Offer Document and consider carefully the recommendations contained herein before taking any action.

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer are set out in Section 2, Part B of this IAC. Please refer to Appendix I of the Offer Document for further information on the other terms and conditions of the Offer and Appendix II of the Offer Document for the procedures for acceptance and method of settlement of the Offer.

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3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, save for the Undertakings as disclosed above, the Offeror has not received any irrevocable undertaking from any other Holder to accept or reject the Offer.

As at the LPD, there has been no announcement made by Maybank IB, on behalf of the Offeror, of any acceptance of the Offer Shares.

To the best knowledge of the Board, based on information available to the Board as at the LPD (including publicly available information and the disclosures in the Offer Document), the Offeror and PACs have not dealt in CCB Shares from the date of the Notice up to the LPD, save for the Acquisition.

As at the LPD, the Offeror and PACs hold, in aggregate, 45,924,634 CCB Shares, representing approximately 86.65% equity interest in CCB.

4. NON-INTERESTED DIRECTORS' COMMENTS

4.1 Rationale for the Offer

The Non-Interested Directors noted the rationale for the Offer as set out in Section 3 of the Offer Document, as follows:

(i) Mandatory take-over offer obligation

The Offer was extended by the Offeror pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules as a result of the increase in the Offeror's shareholding in CCB from nil to approximately 86.65% pursuant to the Acquisition. The SPA for the Acquisition turned unconditional on 28 February 2024 following the fulfilment of the conditions precedent of the SPA on even date.

In this regard, the Offer provides an opportunity for the Offeror to further increase its shareholding in CCB, thereby further consolidating the Offeror's control in the Offeree.

(ii) Opportunity for the Holders to exit and realise their investment

The Offer provides the Holders with an opportunity to realise their investment for cash at the Offer Price (should the Holders elect for the Cash Option) or for new RCPS to be issued by the Offeror (should the Holders elect for the Securities Option).

4.2 Future plans for the CCB Group and its employees

The intention of the Offeror, as at the LPD, with respect to the future plans for the CCB Group and its employees are as follows:

(i) Continuation of the CCB Group's business

The Offeror intends to preserve, grow and continue with the existing operations of the CCB Group and does not currently have any plans and/or intention to liquidate any company within the CCB Group.

Nevertheless, the Offeror may retain flexibility at any time to consider any opportunities and/or risks which may present themselves and which the Offeror regards to be in the interests of the CCB Group. The Offeror may from time to time undertake a review of the CCB Group's businesses and operations to formulate plans and strategies for the CCB Group, if necessary, for the future growth of the CCB Group.

(ii) Major changes to the CCB Group's assets

The Offeror does not have any plans at this juncture to introduce any major changes in the businesses and operations of the CCB Group, liquidate the CCB Group, dispose of any major assets or undertake any major re-deployment of the fixed assets of the CCB Group if the Offer is successful.

Nevertheless, the Offeror may from time to time review strategic options with regards to the businesses of the CCB Group and where appropriate, implement changes to the corporate structure, including any expansion activities, disposal of assets with a view to ensure the CCB Group remains competitive in the industry of which it operates in and improve prospects and future of the CCB Group.

(iii) Employees of the CCB Group

The Offeror does not have any plans to dismiss or make redundant the employees of the CCB Group as a direct consequence of the Offer.

Nevertheless, as with any organisation, there may be constructive measures to improve the efficiency of operations and optimise the human resources requirements of the CCB Group, subject to decisions made by the Board in the best interest of the CCB Group. Any such action will be dealt with in accordance with the relevant legislation and the terms of employment of the affected employees.

Having considered the above, the Non-Interested Directors are of the view that the business and management of the CCB will continue as a going concern.

4.3 Listing status of CCB

CCB is not listed on Bursa Securities or any other stock exchange.

4.4 Compulsory acquisition and the rights of Dissenting Holders

(a) Compulsory acquisition

The Non-Interested Directors noted that the Offeror intends to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares for which Valid Acceptances have not been received. In such an instance, all the Offer Shares that are compulsorily acquired will, subject to subsection 224(1) of the CMSA, be acquired on the same terms and conditions of the Offer Document.

(b) Rights of Dissenting Holders

Notwithstanding the above, subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror receives valid acceptances resulting in the Offeror and PACs holding not less than nine-tenths (9/10) in the value of the CCB Shares (including CCB Shares already held by the Offeror and PACs as at the date of the Offer) on or before the Closing Date, a Dissenting Holder may exercise his rights under subsection 223(1) of the CMSA by serving a notice on the Offeror to require the Offeror to acquire his/her Offer Shares on the same terms as set out in the Offer Document or such other terms as may be agreed.

Please refer to Section 7.1 of Part B of this IAC for further details.

5. INDEPENDENT ADVICE LETTER

The Holders are advised to read and consider the views and recommendation of DWA Advisory, the Independent Adviser appointed by the Board (save for the Interested Directors) in accordance with paragraph 3.06 of the Rules to provide comments, opinions, information and recommendation to the Non-Interested Directors and the Holders on the Offer. The IAL is included in Part B of this IAC.

6. DISCLOSURE OF DIRECTORS' INTERESTS AND INTENTION IN RELATION TO THE OFFER

As at the LPD, save as disclosed below, the Board does not have any interest, whether direct or indirect, in the Offer Shares:

	Direct		Indirect	
	No. of CCB Shares	%	No. of CCB Shares	%
ANJ	1	-*	-	-

Note:

* *Negligible.*

The Interested Directors, namely ANJ and ZZB, have duly abstained from deliberations and making any recommendation in relation to the Offer. As per ANJ's letter to KUB dated 28 February 2024, he has irrevocably and unconditionally undertaken to accept the Offer which shall be satisfied wholly via the Cash Option.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this IAC. The Board, collectively and individually, accepts full responsibility for the accuracy and completeness of the information contained in this IAC and confirms, after having made all reasonable enquiries, that to the best of their knowledge and belief:

- (i) there are no other facts and/or information, the omission of which would render any statement or information relating to CCB in this IAC incomplete, false and/or misleading;
- (ii) all material facts and/or information in relation to the Offer (including those required under the Rules) have been accurately and completely disclosed in this IAC; and
- (iii) opinions expressed by the Board (save for the Interested Directors) in this IAC have been arrived at after due and careful consideration.

Further, the responsibility of the Board in respect of:

- (i) the information relating to the Offeror and the Offer (as extracted from the Offer Document) is limited to ensure that such information is accurately reproduced in this IAC; and
- (ii) the independent advice and expression of opinion by DWA Advisory in relation to the Offer as set out in Part B of this IAC is to ensure that accurate information in relation to CCB was provided to DWA Advisory for its evaluation of the Offer and to ensure that all information in relation to CCB that is relevant to DWA Advisory's evaluation of the Offer has been accurately and completely disclosed to DWA Advisory and that there is no material fact, the omission of which would make any information provided to DWA Advisory false or misleading.

8. NON-INTERESTED DIRECTORS' RECOMMENDATION

After careful examination of the terms and conditions of the Offer as contained in the Offer Document and taking into consideration the evaluation and recommendation of DWA Advisory, the Non-Interested Directors **CONCUR** with the evaluation and recommendation of DWA Advisory that the Offer in respect of the Cash Option is **FAIR AND REASONABLE** and the Offer in respect of the Securities Option is **FAIR AND REASONABLE**.

Accordingly, the Non-Interested Directors recommend that the Holders **ACCEPT** the Offer.

Based on the above, it is pertinent to note that Holders who wish to accept the Offer can choose either Cash Option or Securities Option as method of settlement.

Between the Cash Option and the Securities Option, the Non-Interested Directors are of the view that the Securities Option is more favourable as the Offer Price of RM2.60037 represents a discount of approximately RM1.65 or 38.82% to the implied offer price of the Offer Shares of RM4.25 based on the fair value of the RCPS of RM0.98 and the Exchange Ratio as compared to a premium of RM0.14 or 5.69% of the Offer Price to the fair value per CCB Share of RM2.46 for the Cash Option.

Accordingly, the Non-Interested Directors recommend that Holders **ACCEPT** the Offer **by electing the Securities Option**. Holders who elect this option whilst being able to continue participating in the CCB Group via KUB's interest in CCB upon conversion of the RCPS received into new KUB Shares, should be aware that they will be exposed to KUB Group's other business segments such as the LPG Segment, Agro Segment, ICT Segment, Power Segment and Other Segment.

The Non-Interested Directors wish to advise that the decision to be made will depend entirely on the Holders' risk appetite and specific preference as well as their expectation of the future performance of the CCB Group under the control of the Offeror. Holders should also be mindful that there may be continuous fluctuations in the market prices of KUB Shares prior to the Closing Date. As such, Holders are advised to closely monitor the market prices and information/announcements in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer Shares.

YOU ARE ADVISED TO CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THE OFFER DOCUMENT AND THIS IAC BEFORE MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

THE NON-INTERESTED DIRECTORS HAVE NOT TAKEN INTO CONSIDERATION ANY SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATIONS, RISK PROFILES OR PARTICULAR NEEDS OF ANY INDIVIDUAL HOLDER OR ANY SPECIFIC GROUP OF HOLDERS.

THE NON-INTERESTED DIRECTORS RECOMMEND THAT HOLDERS WHO REQUIRE ADVICE IN RELATION TO THE OFFER IN THE CONTEXT OF THEIR INVESTMENT OBJECTIVES, FINANCIAL SITUATIONS, RISK PROFILES OR PARTICULAR NEEDS, SHOULD CONSULT THEIR RESPECTIVE STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Yours faithfully,
For and on behalf of the Board
CENTRAL CABLES BERHAD

Dato' Sri Zohari bin Akob
Director

PART B

INDEPENDENT ADVICE LETTER FROM DWA ADVISORY



Registered Office:

E-2-1, Oasis Square
No. 2, Jalan PJU 1A/7A
Ara Damansara
47301 Petaling Jaya
Selangor Darul Ehsan

1 April 2024

To: The Non-Interested Directors and the Holders

Dear Sir/Madam,

UNCONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR, THROUGH MAYBANK IB, TO ACQUIRE THE OFFER SHARES AT THE OFFER PRICE TO BE SATISFIED EITHER VIA THE CASH OPTION OR THE SECURITIES OPTION

1. INTRODUCTION

Please refer to Section 1 of Part A of this IAC for the chronological order of events in relation to the Offer.

The purpose of this IAL is to provide our independent evaluation of the Offer together with our views and recommendation thereon, subject to the scope of our role and limitation specified herein.

HOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS IAC INCLUDING THIS IAL TOGETHER WITH THE OFFER DOCUMENT BEFORE MAKING A DECISION AS TO THE COURSE OF ACTION TO BE TAKEN. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE IN RELATION TO THE OFFER, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

THIS IAL IS SOLELY FOR THE USE OF THE NON-INTERESTED DIRECTORS AND HOLDERS FOR THE PURPOSE OF CONSIDERING THE OFFER AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSE.

2. TERMS AND CONDITIONS OF THE OFFER

For the avoidance of doubt, you do not need to take action if you do not wish to accept the Offer. The terms and conditions of the Offer are set out below:

2.1 Consideration for the Offer

The consideration for the Offer Shares will be satisfied via either of the following at the election of the Accepting Holders:

- (a) Cash Option; or
- (b) Securities Option,

where:

- (a) in respect of the Cash Option, fractions of a sen will be rounded up to the nearest whole sen; and
- (b) in respect of the Securities Option, fractions of a RCPS will be rounded down to the nearest whole RCPS and the Offeror will pay cash (rounded up to the nearest whole sen) for the balance fractional entitlement to the new RCPS based on the issue price of RM0.60 per RCPS,

(items (a) and (b) to be referred to as “**Fractional Treatment**”).

However, if the Offeree declares, makes and/or pays any Distribution declared on or after the date of the Notice but prior to the Closing Date and the Holders are entitled to retain such Distribution, the Offer Price will be reduced by an amount equivalent to the net Distribution for each Offer Share that such Holders are entitled to retain. For avoidance of doubt, no adjustment shall be made to the Offer Price in the event that the entitlement date for the Distribution is after the Closing Date.

The Offeree has not announced any declaration of any Distribution that is payable on or after the date of the Notice up to the LPD.

Holders may accept the Offer in respect of all or part of their Offer Shares.

The Offeror will not pay fractions of a sen (should the Holders elect for the Cash Option) or issue fractions of new RCPS (should the Holders elect for the Securities Option) to the Accepting Holders. In this regard, where applicable, the Offeror shall apply the Fractional Treatment, based on the mode of settlement to be elected by the Accepting Holders.

An illustration of the consideration receivable by a Holder assuming he/she holds only one (1) Offer Share, based on the Fractional Treatment is as follows:

Elected consideration	Consideration to be received
Cash Option	: RM2.60037 Since fractions of a sen will be rounded up to the nearest whole sen, such a holder of the Offer Share will receive RM2.61.
Securities Option	: 4.33395 new RCPS to be satisfied by way of: (i) 4 new RCPS; and (ii) RM0.21 in cash (which was arrived at based on 0.33395 RCPS multiplied by the issue price of RM0.60 per RCPS and rounded up to the nearest sen) (“ Fractional Cash Balance ”). Therefore, the total value of the consideration to be received by such a holder of the Offer Share will be RM2.61 based on the total sum of the value of 4 new RCPS to be issued at the issue price of RM0.60 per RCPS and a cash payment of RM0.21.

The Offer Price is equivalent to the Purchase Consideration per CCB Share paid by the Offeror for the Acquisition. Further, the Offer Price is not less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the Offeror and the PACs for any CCB Shares during the Offer Period and also within six (6) months prior to the beginning of the Offer Period. In this regard, the Offer Price is in compliance with subparagraph 6.03(1) of the Rules.

2.2 Condition of the Offer

The Offer is not conditional upon the receipt by the Offeror of any minimum level of valid acceptances of the Offer Shares as the Offeror and the PACs already hold more than 50.00% of the voting shares in the Offeree. As at the LPD, the Offeror and the PACs hold in aggregate 45,924,634 CCB Shares representing approximately 86.65% of the voting shares in CCB.

2.3 Duration of the Offer

The Offer will remain open for acceptances until 5.00 p.m. Malaysian time on 12 April 2024, being the First Closing Date, unless extended or revised in accordance with the Rules. Any such extension will be announced by Maybank IB, on behalf of the Offeror, at least two (2) days before the Closing Date. Notice of such an extension will be posted to the Holders accordingly.

Please refer to Section 2 of Appendix I of the Offer Document for further details on the duration of the Offer.

2.4 Method of settlement

Except with the consent of the SC and save for the Offeror's rights to reduce the Offer Price as set out in Section 2.1 of the Offer Document, settlement of the Offer in full will be effected in accordance with the terms of the Offer without regard to any lien, right of set-off, counter-claim or other analogous rights to which the Offeror may be entitled against the Accepting Holder. This, however, is without prejudice to the Offeror's rights to make any claim against the Accepting Holder after such full settlement in respect of a breach of any of the warranties as set out in Section 1 of Appendix I of the Offer Document.

Where there are Valid Acceptances, the settlement of the consideration of the Offer Shares to which such Valid Acceptances relate will be effected in the following manner:

Cash Option	Securities Option
Remittance in the form of a cheque, banker's draft and/or cashier's order which will be posted by ordinary mail to the Accepting Holders (or their designated agents, as they may direct), at their own risk, within 10 days from the date of such Valid Acceptances or such other period as may be allowed by the SC.	Via the allotment and issuance of the requisite number of new RCPS to the Accepting Holders within 14 days from the date of such Valid Acceptances or such other period as may be allowed by the SC, together with the cash payment for the Fractional Cash Balance. Physical share certificates will be despatched to the Accepting Holders via ordinary mail.

Non-Resident Holders are advised that the settlement for the acceptance of the Offer will be made in RM or in the form of RCPS which are denominated in RM. Non-Resident Holders who wish to convert the consideration received into foreign currency for repatriation may do so after the payment of the appropriate fee and/or charges as levied by the respective financial institutions.

Please refer to Appendix I of the Offer Document for further information on the other terms and conditions of the Offer and Appendix II of the Offer Document for the details on the procedures for acceptance and method of settlement of the Offer.

3. DETAILS OF ACCEPTANCES

As at the date of the Notice, save for the Undertakings, the Offeror had not received any irrevocable undertaking from any Holder to accept or reject the Offer.

As at the LPD, there has been no announcement made in respect of any Valid Acceptances of the Offer Shares as well as changes in the shareholdings of the Offeror following such Valid Acceptances.

For information purposes, as at the LPD, the Offeror holds 45,924,632 CCB Shares, representing approximately 86.65% of the total issued shares in CCB.

4. SCOPE AND LIMITATIONS OF THE EVALUATION OF THE OFFER

DWA Advisory was not involved in the formulation and/or deliberation of the terms and conditions of the Offer.

Our scope as the Independent Adviser is limited to providing our comments, opinions, information and recommendation on the Offer in this IAC based on information, data and documents provided to us or which are available to us and making reasonable enquiries in the circumstances.

In evaluating the Offer and in rendering our advice, DWA Advisory has considered various factors which we believe are of relevance and general importance to an assessment of the Offer and which would be of general concern to the Holders.

In performing our evaluation, we have relied on and/or taken into consideration the following sources of information:

- (i) the information contained in the Notice, the Offer Document and the appendices attached thereto;
- (ii) the audited consolidated financial statements of KUB for the FYE 30 June 2022, FYE 30 June 2023 and the unaudited consolidated financial statements for the 6-month FPE 31 December 2023;
- (iii) the audited consolidated financial statements of CCB for the FYE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023 and the unaudited consolidated financial statements for the 6-month FPE 31 December 2023;
- (iv) discussions with and representations by the Board (save for the Interested Directors) and the management of CCB;
- (v) other relevant information, documents, confirmations and representation furnished to us by the Board and management of CCB; and
- (vi) other publicly available information which we deem to be relevant.

We have relied on the Board and the management of CCB to take due care to ensure that all the information, documents and representations provided by them to facilitate our evaluation of the Offer are accurate, valid and complete in all material aspects. Nonetheless, we have made reasonable enquiries and, as at the date hereof, we are satisfied that the information provided to us or which is available to us is sufficient and we have no reason to believe that the aforementioned information is unreliable, incomplete, misleading and/or inaccurate.

Our evaluation as set out in this IAL is rendered solely for the benefit of the Non-Interested Directors and Holders as a whole and not for any specific group of Holders. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, financial situation, risk profile or particular needs of any individual Holder or any specific group of Holders. We recommend that any individual Holder or group of Holders who is in doubt as to the action to be taken in relation to the Offer in the context of their individual investment objectives, financial and tax situation, risk profile or particular needs, consult their respective stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Our advice should be considered in the context of the entirety of this IAL. Our views expressed in this IAL are, among others, based on economic, market and other conditions prevailing, and the information and/or documents available to us as at the LPD or such other period specified herein. Such conditions may change significantly over a short period of time.

We shall immediately disclose to the SC in writing and notify the Holders by way of a press notice after despatching this IAC if, as guided by subparagraph 11.07(1) of the Rules, we become aware that this IAC:

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, we shall send a supplementary IAC to the Holders in accordance with subparagraph 11.07(2) of the Rules.

The disclosure and announcement referred to in subparagraph 11.07(1) of the Rules shall be made before 9.00 a.m. on the next Market Day.

5. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 of Schedule 2: Part III of the Rules whereby:

- (i) in relation to a take-over offer, the term “fair and reasonable” should generally be analysed as 2 distinct criteria i.e., whether the offer is “fair” and whether the offer is “reasonable”, rather than as a composite term;
- (ii) the take-over offer is considered “fair” if the offer price (or value of consideration) is equal to or higher than the market price and is also equal to or higher than the value of the securities of the offeree. However, if the offer price (or value of consideration) is equal to or higher than the market price but is lower than the value of the securities of the offeree, the take-over offer is considered as “not fair”. In making the assessment, the value of the securities of the offeree is determined based on the assumption that 100.00% of the offeree is being acquired;
- (iii) pursuant to paragraph 4 of Schedule 2: Part III of the Rules, in considering whether a take-over offer is “reasonable”, the independent adviser should take into consideration matters other than the valuation of the securities that are the subject of the take-over offer. A take-over offer would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for shareholders to accept the take-over offer despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained; and
- (iv) in the event that the independent adviser concludes that the Offer is “not fair but reasonable”, the independent adviser must clearly explain the following:

- (a) what is meant by “not fair but reasonable”;
- (b) how has the independent adviser reached this conclusion; and
- (c) the course of action that the shareholders are recommended to take pursuant to the conclusion.

The Offer Price represents the Purchase Consideration paid by the Offeror for each CCB Share acquired pursuant to the Acquisition. We noted that in respect of the Offer Shares, the offer consideration will be settled via the Cash Option or the Securities Option. In view of this, we consider it appropriate to evaluate the Offer in two (2) separate parts as follows:

(i) Cash Option

Refers to a wholly cash consideration of RM2.60037 for every 1 Offer Share surrendered;

(ii) Securities Option

Refers to a securities exchange based on an exchange ratio of 4.33395 new RCPS in KUB to be issued at an issue an issue price RM0.60 per RCPS for every 1 Offer Share surrendered (“**Exchange Ratio**”).

We have considered the following pertinent factors in our evaluation of the Offer:

Fairness of the Offer	Section 6
(i) Valuation of CCB Shares	Section 6.1
(ii) Valuation of the RCPS	Section 6.2
(iii) Fairness evaluation of the consideration of the Offer Shares	Section 6.3

In arriving at the fairness evaluation of the Offer, we have assessed the fair value of CCB Shares against the fair value of the Securities Option. The Exchange Ratio of the Offer is assessed against the resultant exchange ratio derived from the fair value of CCB Share and the fair value of the Securities Option. The EV/EBITDA valuation method has been adopted in establishing the fair value of CCB Shares and the SOPV valuation method has been adopted in establishing the fair value of the Securities Option.

The Offer will be deemed fair if the Exchange Ratio is equal to or above the resultant exchange ratio derived from the fair value of CCB Share and fair value of the Securities Option.

Reasonableness of the Offer	Section 7
(i) Compulsory acquisition and the rights of Dissenting Holders	Section 7.1
(ii) No competing offer and level of control	Section 7.2
(iii) Opportunity to the Holders to realise their investment in the unlisted CCB Shares	Section 7.3

6. FAIRNESS OF THE OFFER

6.1 Valuation of CCB Shares

CCB is principally involved in investment holding and the manufacturing of power cables and wires. The CCB Group's financial performance for the FYE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023 as well as for the FPE 31 December are as follows:

	FYE 30 June 2021 (RM'000)	Audited FYE 30 June 2022 (RM'000)	FYE 30 June 2023 (RM'000)	Unaudited FPE 31 December 2023 (RM'000)
Revenue	130,466	140,553	199,151	97,333
PAT	1,318	2,034	11,647	6,505
Dividend per Share (sen)	8.00	3.00	100.00	-

The Group recorded a revenue of RM140.55 million and PAT of RM2.03 million in the FYE 30 June 2022 as compared to a revenue of RM130.47million and PAT of RM1.32 million in the FYE 30 June 2021 mainly due to higher demand for cables, which was prompted by the resumption of development projects that had been delayed during the COVID-19 pandemic lockdown. The Group recorded higher revenue and PAT for the FYE 30 June 2023 of RM199.15 million and RM11.65 million, respectively, mainly due to an increase in purchase orders received from customers whereby customers' orders for cables (measured in single core length equivalent in KM) increased by 2,411 KM or 35.2% year on year.

We noted that the Company had declared and paid dividends for the FYE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023. The Company has been consistently paying dividends since FYE 30 June 2019. For FYE 30 June 2023, the Company declared a final single tier dividend of 6 sen per Share and a special dividend of 94 sen per Share ("**Special Dividend**").

In arriving at the fair value of CCB Shares, we have adopted the EV/EBITDA method.

EV is the sum of a company's market capitalisation, preferred equity, minority interest, short and long-term debt less its cash and cash equivalents. The EV/EBITDA multiple illustrates the market value of a company's business relative to its historical and forecast pre-tax operational cash flow performance, taking into consideration the company's debt and cash levels in addition to its market capitalisation.

We are of the view that the EV/EBITDA method is the most appropriate valuation method to value CCB based on the following:

- (i) earnings are generally considered to be a key determinant of the value of business of such nature and EBITDA measures the recurring earnings from the continuing operations;
- (ii) the EV/EBITDA multiple is not affected by dissimilarities in capital structure, borrowing costs, accounting policies in term of depreciation and amortisation which may vary across different companies;
- (iii) the asset base of a manufacturing company may not accurately or fully reflect the value of CCB's manufacturing business, as it has not taken into consideration factors such as earnings potential and future growth of a company, as such we have not adopted the price-to-book method;
- (iv) we have also not adopted the discounted cash flow method as the revenue generated from CCB is driven by purchase orders and not on-going and secured contracts, as such it is challenging to estimate the cash flow forecast and projections with high level of certainty; and

- (v) we have also considered the dividend discount model of valuation as the Company has been consistently paying dividends since FYE 30 June 2019, however we have not adopted the method in view of the Special Dividend declared in FYE 30 June 2023 and that the ascribed value is below the NA of the CCB Group as at 30 June 2023.

We have selected the comparable companies based on the following criteria:

- (a) involvement in the manufacture of power cables and wires;
- (b) more than 75.00% of the comparable companies' latest financial year's consolidated revenue is derived from the manufacture of power cables and wires;
- (c) listed on various stock exchanges in South East Asian countries with a market capitalisation of between RM50.00 million to RM400.00 million based on the net assets of CCB Group of RM80.43 million as at 30 June 2023.

Details of the comparable companies and their market capitalisation as at the LPD are as follows:

Company name	Country	Revenue contributed from power cables (%)	Market capitalisation ⁽¹⁾ (RM' million)	Adjusted market capitalisation ⁽¹⁾⁽²⁾ (RM' million)
Southern Cable Group Berhad (" Southern Cable ")	Malaysia	89.06	392.04	392.04
PT Jembo Cable Company Tbk (" Jembo Cable ")	Indonesia	95.82	111.13	103.28
PT Kabelindo Murni Tbk (" Kabelindo ")	Indonesia	100.00	84.67	55.14
PT KMI Wire and Cable Tbk (" KMI ")	Indonesia	97.42	372.67	260.96

(Source: Bloomberg)

Notes:

- ⁽¹⁾ Translated based on the foreign currency middle exchange rate as at 5.00 p.m. (Malaysian time) as at the LPD as extracted from Bank Negara Malaysia:

IDR100 RM0.0301

- ⁽²⁾ As the comparable companies are listed in foreign stock exchanges, we have adjusted the market capitalisation of the respective comparable companies to the Malaysia context based on the following formula:

$$\text{Adjusted market capitalisation as at the LPD} = \frac{\text{Market capitalisation as at the LPD}}{\text{Expected local rate of return of the respective comparable companies}} \times \text{Expected Malaysia's rate of return of the respective comparable companies}$$

whereby:

$$\text{Expected local rate of return of the respective comparable companies} = \text{Local-risk-free rate of the respective companies} + \text{Beta of the respective companies in relation to the respective local stock market indexes} \times \text{Local market risk premium}$$

and

$$\begin{array}{l} \text{Expected Malaysia's} \\ \text{rate of return of the} \\ \text{respective comparable} \\ \text{companies} \end{array} = \begin{array}{l} \text{Malaysia's risk-free} \\ \text{rate} \end{array} + \begin{array}{l} \text{Beta of the respective} \\ \text{comparable companies} \\ \text{in relation to the FTSE} \\ \text{Bursa Malaysia Kuala} \\ \text{Lumpur Composite} \\ \text{Index (FBMKL CI)} \end{array} \times \begin{array}{l} \text{Malaysia's} \\ \text{market risk} \\ \text{premium} \end{array}$$

The information obtained from Bloomberg as at the LPD are as follows:

Country	Risk free rate (%)	Market risk premium (%)	Local market returns (%)
Indonesia	6.62	6.34	12.96
Malaysia	3.85	6.76	10.61

Thus:

Comparable company	Beta	Beta (FBM KLCI)
Southern Cable	0.960	0.960
Jembo Cable	0.419	0.706
Kabelindo	0.733	0.516
KMI	0.971	0.754

Pursuant to the above, the EV/EBITDA multiples of the comparable companies are as follows:

Comparable companies	EV ⁽¹⁾⁽²⁾ (RM' million)	EBITDA ⁽¹⁾⁽³⁾ (RM' million)	EV/EBITDA multiple (times)
Southern Cable	491.76	57.70	8.52
Jembo Cable	297.00	53.08	5.60
Kabelindo	112.55	20.55	5.48
KMI	183.38	62.01	2.96
Average			5.64

Notes:

⁽¹⁾ Translated based on the foreign currency middle exchange rate as at 5.00 p.m. (Malaysian time) as at the LPD as extracted from Bank Negara Malaysia:

IDR100 : RM0.0301

⁽²⁾ EV of the comparable companies is calculated as adjusted market capitalisation as at the LPD plus borrowings, non-controlling interest and preferred shares (if any), less cash and cash equivalents.

⁽³⁾ EBITDA of the comparable companies excluded material extraordinary items, where applicable.

We noted that there are several companies operating in the same industry as CCB which are listed on Bursa Securities, namely Sarawak Cable Berhad (“**Sarawak Cable**”), Ho Wah Genting Berhad (“**Ho Wah**”), Ta Win Holdings Berhad (“**Ta Win**”) and Master Tec Group Berhad (“**Master Tec**”). However, Sarawak Cable and Ho Wah were not selected as part of the Comparable Companies as these companies were loss-making rendering them not appropriate as a comparable to CCB, whereas Ta Win was not considered as comparable to CCB as Ta Win is principally involved in manufacturing of copper, and not cables which is CCB’s principal activity. Lastly, Master Tec’s market capitalisation as at the LPD of approximately RM1,071.00 million was above the criteria selected.

There are no companies listed on stock exchanges in South East Asian countries which are exactly similar or directly comparable to CCB, amongst others, the composition of business activities, geographical location of operations, historical performance, risk profile, customer profile and future prospect. However, we are of the view that the identified companies are reasonable to be adopted for the purpose of deriving the estimated range of EV/EBITDA multiples of the industry, as they are similar in terms of their involvement in the manufacture of power cables and wires, size and are profitable.

Based on the above, the fair market valuation of the entire equity interest in CCB based on the EV/EBITDA multiples are as follows:

	(RM'000)
EV/EBITDA multiple (times)	5.64
EBITDA ⁽¹⁾	19,887
Indicative EV	112,163
Add: Surplus cash ⁽²⁾	40,021
Less: Total debt ⁽²⁾⁽³⁾	(46,541)
Add: Surplus asset/ liabilities ⁽²⁾⁽⁴⁾	24,617
Fair value of CCB (based on 100.00% equity)	130,260
No. of CCB Shares ('000)	53,000
Fair value per CCB Share (RM)	2.46

Notes:

⁽¹⁾ We have adopted an average EBITDA of RM19.89 million as CCB's EBITDA in view that the Company recorded a positive EBITDA of RM18.82 million for FYE 30 June 2023 and an annualised positive EBITDA of RM20.96 million based on the 6-month FPE 31 December 2023.

⁽²⁾ Cash and bank balances (net of total borrowings and lease liabilities) are extracted from the unaudited consolidated financial statements of CCB for the 6-months FPE 31 December 2023 represents the surplus cash of CCB which is considered in excess of the working capital requirements in generating income and/or cash flows.

⁽³⁾ Including group level borrowings of RM45.61 million and lease liabilities of RM0.93 million.

⁽⁴⁾ Surplus assets/liabilities are represented by any assets/liabilities that are held by a business that are not core to its underlying operations and do not support the business in any way. In this instance we have included (i) investment properties owned by Fumori Industries Sdn Bhd, a subsidiary of CCB having a net book value of RM15.31 million; and (ii) short-term funds of RM9.31 million consist of investments in trust fund in Malaysia which represents investments in highly liquid money market instruments (being surplus funds to operational requirements).

Premised on the above, the implied valuation of CCB Shares based on the EV/EBITDA method is RM130.26 million or RM2.46 per Share. The Offer Price of RM2.60037, represents a premium of approximately RM0.14 or 5.69% over the fair value per CCB Share of RM2.46.

As such, we are of the view that the Offer is **FAIR**. In arriving at this view, we have not considered the market price of CCB Shares as CCB is not listed on Bursa Securities or any other stock exchange and therefore there is no market price to be referred to.

6.2 Valuation of the RCPS

Holders who elect for the Securities Option will receive the RCPS based on an exchange ratio of 4.33395 new RCPS in KUB to be issued at an issue price RM0.60 per RCPS for every 1 Offer Share surrendered. Upon conversion of the RCPS by the respective Holders who elect for the Securities Option, Holders will receive new KUB Shares based on the conversion ratio of the RCPS where each RCPS is convertible into one (1) new KUB Share ("**Conversion Ratio**"). Accordingly, the fair value of each RCPS shall be based on the fair value of each KUB Shares as set out in Sections 6.2.1 and 6.2.7 of the IAL.

Based on the RCPS Issue Price and the Conversion Ratio, the effective conversion price of the RCPS is RM0.60 for each new KUB Share. In the evaluation of the RCPS Issue Price/ effective conversion price, we have taken into consideration the following:

6.2.1 Sum-of-parts valuation ("**SOPV**") of the KUB Group

We have also considered the fair value of KUB Shares in assessing the fairness of RCPS Issue Price/ effective conversion price.

KUB is principally involved in investment holding and provision of management services to its subsidiaries. Prior to the Acquisition, KUB through its subsidiaries are involved in the following business segments:

Business segments	Principal activities
LPG Segment	Importation, bottling and trading of LPG (" LPG Segment ")
Agro Segment	Oil palm plantations and estate management (" Agro Segment ")
ICT Segment	Infrastructure solutions, supply, maintenance and ancillary services in information, communications and technology (" ICT Segment ")
Power Segment	Engineering and civil works in the power sectors (" Power Segment ")
Other Segment	Property management services, investment holding and provision of management services, including dormant companies (" Other Segment ")

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The contribution of each segment to the KUB Group's financial performance for the FYE 30 June 2022, FYE 30 June 2023 and FPE 31 December 2023 are set out below:

Business segment	Audited FYE 30 June 2022				Audited FYE 30 June 2023				Unaudited 6-month FPE 31 December 2023			
	Revenue		PAT/(LAT)		Revenue		PAT/(LAT)		Revenue		PAT/(LAT)	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
LPG Segment	483,198	88.18	6,917	28.70	472,761	96.70	14,769	43.60	244,446	98.70	7,876	64.69
Agro Segment	44,233	8.07	18,516	76.81	443	0.09	15,149	44.72	-	-	(640)	(5.26)
ICT Segment	16,520	3.01	(2,646)	(10.98)	13,376	2.74	526	1.55	2,323	0.94	114	0.94
Power Segment	1,954	0.36	1,418	5.88	334	0.07	4,294	12.68	-	-	(27)	(0.22)
Other Segment	2,058	0.38	(99)	(0.41)	1,975	0.40	(863)	(2.55)	882	0.36	4,852	39.85
Total	547,963	100.00	24,106	100.00	488,889	100.00	33,876	100.00	247,651	100.00	12,175	100.00

LPG Segment

The segment recorded a revenue of RM472.76 million and a PAT of 14.77 million for the FYE 30 June 2023 as compared to a revenue of RM483.20 million and a PAT of RM6.91 million for the FYE 30 June 2022. Despite a drop in revenue, the segment recorded a higher PAT in view of reduction in LPG purchase costs. The segment recorded a revenue of RM244.45 million and a PAT of RM7.88 million for the 6-month FPE 31 December 2023.

Agro Segment

The segment recorded a revenue of RM0.44 million and a PAT of RM15.15 million for the FYE 30 June 2023 as compared to a revenue of RM44.23 million and a PAT of RM18.52 million for the FYE 30 June 2022. The sharp decline in revenue was due to a winding up order against KUBS granted by the High Court on 15 June 2022 arising from a dispute between KUB Group and KUBS' minority shareholders and the lands under the management of KUBS being handed over to a liquidator. The segment recorded a LAT of RM0.64 million for the 6-months FPE 31 December 2023.

ICT Segment

The segment recorded a revenue of RM13.38 million and a PAT of RM0.53 million for the FYE 30 June 2023 as compared to a revenue of RM16.52 million and a LAT of RM2.65 million for the FYE 30 June 2022. This is mainly due to the management's efforts to streamline its workforce and focus on engineering services and maintenance works. The segment recorded a revenue of RM2.32 million and a PAT of RM0.11 million for 6-months the FPE 31 December 2023.

Power Segment

The segment recorded a revenue of RM0.33 million and a PAT of RM4.29 million for the FYE 30 June 2023 as compared to a revenue of RM1.95 million and a PAT of RM1.42 million for the FYE 30 June 2022. The higher PAT was mainly due to the reversal of impairment loss on trade receivables and waiver of liquidated ascertained damages. All projects have been completed under the segment for the financial year and the management will continue to bid for viable contracts. The segment did not record any revenue whilst incurring a LAT of RM0.03 for the 6-months FPE 31 December 2023.

Other Segment

The segment recorded a revenue of RM1.96 million and a LAT of RM0.86 million for the FYE 30 June 2023 as compared to a revenue of RM2.06 million and a LAT of RM0.10 million for the FYE 30 June 2022. The segment recorded a revenue of RM0.88 million and a PAT of RM4.85 million for the 6-months 31 December 2023 in view of the gain on disposal from the sale of Wisma Kota Bahru, Kelantan and two office floors located at Oasis Square, Ara Damansara, Selangor.

In arriving at the fair value of KUB Shares, we have adopted the SOPV method as our valuation method in view that the KUB Group comprises different business segments. The SOPV is a valuation method that sums the estimated equity values of each of the Group's business segments as if each business segment were an independent going concern. This method of valuation is commonly used to value a company with segments that operate in different industries which have different valuation characteristics. We are of the view that the SOPV method is the most appropriate method to estimate the value of KUB Shares based on the following valuation methods adopted for the respective business segments:

No.	Business Segments	Valuation Method
(i)	LPG Segment	EV/EBITDA multiple
(ii)	Agro Segment	NA
(iii)	ICT Segment	NA
(iv)	Power Segment	NA
(v)	Other Segment	NA

6.2.2 Valuation of LPG segment

EV is the aggregate value of the respective companies' market capitalisation, non-controlling interest and debt net of any cash and cash equivalents. EV/EBITDA ratio is commonly used in valuations as it is not affected by the different leverage levels and borrowings costs as well as different depreciation and amortisation policies. Also, it eliminates the impact from non-operating items. Hence, EV/EBITDA ratio is arrived at by comparing a Company's EV against EBITDA.

We are of the view that the EV/EBITDA multiple valuation model as the most appropriate valuation method for KUB's LPG Segment based on the following:

- (i) the LPG Segment has recorded a PAT for 30 June 2023 and the 6-month FPE 31 December 2023; and

- (ii) EV/EBITDA is not affected by dissimilarities in capital structure, borrowing costs, accounting policies in terms of depreciation and amortisation which may vary across different companies.

We have selected the comparable companies based on the following criteria:

- (i) involvement in the importation, bottling and trading of LPG;
- (ii) more than 70.00% of the comparable companies' latest financial year's consolidated revenue is derived from the importation, bottling and trading of LPG;
- (iii) listed on various stock exchanges in South East Asian countries with a market capitalisation of between RM100.00 million to RM500.00 million based on the market capitalisation of KUB of RM325.53 million as at the LPD and that 96.70% of KUB Group's revenues were derived from the LPG Segment for the FYE 30 June 2023.

Details of the comparable companies and their market capitalisation as at the LPD are as follows:

Company name	Country	Revenue contributed from LPG (%)	Market capitalisation ⁽¹⁾ (RM' million)	Adjusted market capitalisation ⁽¹⁾⁽²⁾ (RM' million)
Union Gas Holdings Limited ("Union Gas")	Singapore	100.00	424.46	441.89
Southern Gas Trading Joint Stock Company ("Southern Gas")	Vietnam	74.59	279.81	295.81
WP Energy Public Company Limited ("WP Energy")	Thailand	98.85	284.31	273.38

(Source: Bloomberg)

Notes:

- ⁽¹⁾ Translated based on the foreign currency middle exchange rate as at 5.00 p.m. (Malaysian time) as at the LPD as extracted from Bank Negara Malaysia:

SGD 1 : RM3.5147
VND 100 : RM0.0191
THB 100 : RM13.0121

- ⁽²⁾ As the comparable companies are listed in foreign stock exchanges, we have adjusted the market capitalisation of the respective comparable companies to the Malaysia context based on the following formula:

$$\text{Adjusted market capitalisation as at the LPD} = \frac{\text{Market capitalisation as at the LPD}}{\text{Expected local rate of return of the respective comparable companies}} \times \text{Expected Malaysia's rate of return of the respective comparable companies}$$

whereby:

$$\text{Expected local rate of return of the respective comparable companies} = \text{Local-risk-free rate of the respective companies} + \text{Beta of the respective companies in relation to the respective local stock market indexes} \times \text{Local market risk premium}$$

and

$$\begin{array}{l} \text{Expected Malaysia's} \\ \text{rate of return of the} \\ \text{respective comparable} \\ \text{companies} \end{array} = \begin{array}{l} \text{Malaysia's risk-free} \\ \text{rate} \end{array} + \begin{array}{l} \text{Beta of the respective} \\ \text{comparable companies} \\ \text{in relation to the FTSE} \\ \text{Bursa Malaysia Kuala} \\ \text{Lumpur Composite} \\ \text{Index (FBMKL CI)} \end{array} \times \begin{array}{l} \text{Malaysia's} \\ \text{market risk} \\ \text{premium} \end{array}$$

The information obtained from Bloomberg as at the LPD are as follows:

Country	Risk free rate (%)	Market risk premium (%)	Local market returns (%)
Singapore	3.07	8.33	11.40
Vietnam	4.24	5.45	9.69
Thailand	2.54	8.20	10.74

Thus:

Comparable company	Beta	Beta (FBM KLCI)
Union Gas	0.609	0.685
Southern Gas	0.421	0.452
WP Energy	0.843	0.775

Pursuant to the above, the EV/EBITDA multiples of the comparable companies are as follows:

Comparable companies	EV ⁽¹⁾⁽²⁾ (RM' million)	EBITDA ⁽¹⁾⁽³⁾ (RM' million)	EV/EBITDA multiple (times)
Union Gas	530.93	97.81	5.43
Southern Gas	251.26	40.04	6.27
WP Energy	238.79	80.20	2.98
Average			4.89

Notes:

⁽¹⁾ Translated based on the foreign currency middle exchange rate as at 5.00 p.m. (Malaysian time) as at the LPD as extracted from Bank Negara Malaysia:

SGD 1 : RM3.5147
VND 100 : RM0.0191
THB 100 : RM13.0121

⁽²⁾ EV of the comparable companies is calculated as adjusted market capitalisation as at the LPD plus borrowings, non-controlling interest and preferred shares (if any), less cash and cash equivalents.

⁽³⁾ EBITDA of the comparable companies excluded material extraordinary items, where applicable.

There are no companies listed on stock exchanges in South East Asian countries which are exactly similar or directly comparable to the LPG Segment in terms of, amongst others, the composition of business activities, geographical location of operations, historical performance, risk profile, customer profile and future prospect. However, we are of the view that the identified companies are reasonable to be adopted for the purpose of deriving the estimated range of EV/EBITDA multiples of the industry as they are similar in terms of their involvement in the importation, bottling and trading of LPG, size and are profitable.

Based on the above, the fair market valuation of the LPG Segment based on the EV/EBITDA multiples are as follows:

	(RM' 000)
EV/EBITDA multiple (times)	4.89
EBITDA ⁽¹⁾	29,770
Indicative EV	145,575
Add: Surplus cash ⁽²⁾	56,018
Less: Total debt ⁽²⁾	(2)
Fair value of the LPG Segment	201,591

Notes:

⁽¹⁾ We have adopted an average EBITDA of RM29.77 million as the LPG Segment's EBITDA in view that the LPG Segment recorded a positive EBITDA of RM27.88 million for FYE 30 June 2023 and an annualised positive EBITDA of RM31.66 million based on the 6-month FPE 31 December 2023.

⁽²⁾ Cash and bank balances (net of total borrowings and lease liabilities) are extracted from the audited financial statement of Solar Gas Sdn Bhd for the 6-month FPE 31 December 2023 represents the surplus cash of the LPG Segment which is considered in excess of the working capital requirements in generating income and/or cash flows.

6.2.3 Valuation of the Agro Segment

On 15 June 2022, the High Court granted a winding-up order against KUBS in view of a dispute between the KUB Group and KUBS' minority shareholders ("**Winding-up Order**"). Subsequently, on 16 November 2022, the two (2) oil palm estates in Mukah, Sarawak totaling 4,616 hectares of land under the management of KUBS were handed over to a liquidator.

On 29 February 2024, KUB Group and KUBS' minority shareholders had reached a full and final settlement on the disputes through the setting aside of the Winding-up Order by way of a consent order being obtained and recorded at the Court of Appeal. This allowed KUBS to operate back as a going concern.

On 1 March 2024, KUB announced that KUBAH, on the same date, had entered into a share sale and purchase agreement with Lembaga Amanah Kebajikan Kaum Melanau Sarawak and Medan Sepadu Sdn Bhd to acquire the remaining 40.00% equity interest in KUBS not already held by KUBAH for a cash consideration of RM60.00 million. The acquisition is expected to be completed by the end of March 2024. We understand that the KUB Board will continue to evaluate the strategic position of the Agro Segment with priority given to the effective management of the Group's balance sheet and cash flows in light of the Acquisition.

We noted that the abovementioned acquisition is not expected to have any material effect on the net asset of the KUB Group as the fair value of investment in KUBS have already been reflected in the accounts and the increase of 40.00% remaining net assets are to be set off with the reduction in cash for the Group of RM60.00 million.

In view of the above, we have adopted the unaudited NA of the Agro Segment of RM61.59 million as at 31 December 2023 as the fair value of the of the Agro Segment.

6.2.4 Valuation of the ICT segment

In arriving at the value of the ICT Segment, we have adopted the NA valuation method.

The NA method values an asset based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities of the company and minorities' interest. It is generally used to value loss-making companies or companies with no significant profit and with no material property or investment assets that could appreciate in value significantly over time.

We are of the view that NA method is the most appropriate method to value the ICT Segment based on the following:

- (i) as at 30 June 2023, the NA of the ICT Segment attributable to the owners of KUB of RM5.18 million constitutes only approximately 1.00% of the audited consolidated NA of KUB attributable to the owners of the Company of RM517.05 million; and
- (ii) the profit after tax from the ICT Segment for FYE 30 June 2023 and the 6-month FPE 31 December 2023 of RM0.53 and RM0.11, makes up less than 1.56% and 0.90% of the consolidated profit after tax of KUB for the said financial year/ period.

The composition of the total assets under the ICT Segment as at 31 December 2023 is summarised below:

	Note	As at 31 December 2023	
		(RM'000)	(%)
Non-current Assets			
Property, plant and equipment	(1)	4,224	34.86
Other investments		50	0.41
Total non-current assets		4,274	35.28
Current Assets			
Inventories		11	0.09
Trade and other receivables		2,111	17.42
Tax recoverable		442	3.65
Cash and bank balances	(2)	5,278	43.56
		7,842	64.72
Total assets		12,116	100.00

Notes:

(1) Consist mainly of office equipment and computer equipment, and tower infrastructure.

(2) The cash and bank balances, and deposits with licensed financial institutions approximate their fair value due to their short-term nature.

In view of the above and based on the latest unaudited NA of the ICT Segment as at 31 December 2023 of RM9.13 million, we have arrived at an equity value of the ICT Segment attributable to the owners of KUB of RM5.51 million where total assets and total liabilities are RM12.12 million and RM2.99 million, respectively.

6.2.5 Valuation of the Power segment

In arriving at the value of the Power Segment, we have also adopted the NA valuation method.

We are of the view that the NA method is the most appropriate method to value the Power Segment based on the following:

- (i) as at 30 June 2023, the NA of the Power Segment attributable to the owners of KUB of RM5.68 million constitutes only approximately 1.13% of the audited consolidated NA of KUB attributable to the owners of KUB of RM502.30 million;
- (ii) the Power Segment recorded a PAT of RM4.29 million for the audited consolidated FYE 30 June 2023 which represents 12.66% of the Group's PAT for the financial year arising from other income. For the unaudited consolidated FPE 31 December 2023, the segment recorded a LAT of RM0.03 million; and
- (iii) as at the LPD, the Power segment has completed all of its projects on hand and it does not have any on-going projects or new projects in the pipeline.

The composition of the total assets under the Power Segment as at 31 December 2023 is summarised below:

	Note	As at 31 December 2023	
		(RM'000)	(%)
Non-current Assets			
Property, plant and equipment		4	0.07
Current Assets			
Trade and other receivables		10	0.17
Tax recoverable		250	4.20
Cash and bank balances	(1)	5,690	95.56
		5,950	95.93
Total assets		5,954	100.00

Note:

- ⁽¹⁾ The cash and bank balances with licensed financial institutions approximate their fair value due to their short-term nature.

In view of the above and based on the latest unaudited NA of the Power Segment as at 31 December 2023 of RM5.59 million, we have arrived at the fair value of the Power Segment attributable to the owners of KUB of RM5.59 million where total assets and total liabilities are RM5.95 million and RM0.36 million, respectively.

6.2.6 Valuation of the Other segment

We view that NA method is the most appropriate valuation method for KUB's Other Segment based on the following:

- (i) the segment mainly comprises property management services, investment holding and provision of management services, including dormant companies;
- (ii) the segment recorded a LAT of RM0.86 million for FYE 30 June 2023 and a PAT of RM4.85 million for the unaudited 6-month FPE 31 December 2023.

The composition of the total assets under the Other Segment as at 31 December 2023 is summarised below:

	Note	As at 31 December 2023	
		(RM'000)	(%)
Non-current Assets			
Property, plant and equipment	(1)	24,237	6.98
Investment properties	(1)	10,806	3.11
Right-of-use assets		76	0.02
Other investments		6,268	1.81
Total non-current assets		41,386	11.92
Current Assets			
Inventory		11	-*
Trade and other receivables		1,437	0.41
Tax recoverable		447	0.13
Cash and bank balances	(2)	304,113	87.54
		306,008	88.08
Total assets		347,394	100.00

Notes:

* *Negligible.*

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(1) Consist mainly of the real properties classified under property, plant and equipment as well as investment properties as follows:

No.	Location/ Address	Description	Type	Date of acquisition/ Date of last valuation	Tenure	Size	Net book value as at 31 December 2023 (RM'000)	Market value as ascribed by the valuer (RM'000)
1.	Lot 12701 (formerly PT No. 606), Kawasan Perindustrian Serting Tengah, 72200 Batu Kikir, Negeri Sembilan	Vacant development land	Industrial	1999/ 2 November 2023	Leasehold (99 years expiring on 25 February 2086)	80,430 sq. meters	613	4,300
2.	Lot 4180N, Bangunan Sri Kinta, Jalan Sultan Idris Shah, 30000, Ipoh Perak	4-Storey commercial podium with a 9-storey office tower block and a basement carpark	Commercial	1983/ 1 November 2023	Freehold	11,115 sq. meters	4,274	13,100
3.	Unit No. C-3-01 Unit No. C-3A-01 Unit No. C-9-01 Block C Oasis Square, Ara Damansara 47301, Petaling Jaya, Selangor	Office space Office space Office space	Commercial Commercial Commercial	24 May 2010 24 May 2010 24 May 2010/ 3 November 2023	Freehold Freehold Freehold	811 sq. meters 804 sq. meters 804 sq. meters (strata gross floor area)	3,005 2,980 2,939	5,040 5,000 5,000
4.	PT 64539, Jalan Perigi Nanas, 6/2 within Pulau Indah Industrial Park, Pulau Indah, Selangor	Vacant land	Industrial	25 September 2018/ 24 July 2023	Leasehold (99 years expiring on 24 February 2097)	31,014 sq. meters	20,798	28,500

(2) Consist mainly of cash and bank balances, and fixed deposits with licensed financial institutions approximate their fair value due to their short-term nature.

We have not considered the market value of the real properties classified in view that the net book value of the properties of RM34.61 million only make up approximately 5.55% of the total assets of the Group of RM623.88 as at 31 December 2023. In our view, the resulting outcome from the valuation of these real properties is not expected to have a material impact to the SOPV of the KUB Group.

In view of the above and based on the latest unaudited NA of the Other Segment as at 31 December 2023 of RM345.63 million, we have arrived at a fair value of the Other Segment of RM345.63 million where total assets and total liabilities are RM347.39 and RM1.76 million, respectively.

6.2.7 SOPV of KUB Shares

Estimated fair value of KUB Group

In summary, the estimated fair value of KUB Group is as follows:

Segment	Valuation Method	Value (RM'000)
LPG Segment	EV/EBITDA multiple	201,591
Agro Segment	NA	61,591
ICT Segment	NA	5,506
Power Segment	NA	5,593
Other Segment	NA	345,630
SOPV of the KUB Group		619,911
Add: Fair value of CCB Group	EV/EBITDA multiple	130,260
SOPV of the enlarged KUB Group		750,171⁽³⁾
No. of KUB Shares as at the LPD ('000)		556,465
Fair value per KUB Share (RM)		1.35
<u>Diluted</u>		
SOPV of the enlarged KUB Group		750,171
Increase in share capital after assuming full conversion of RCPS		17,833 ⁽¹⁾
		768,004
No. of KUB Shares after full conversion of RCPS		786,164 ⁽²⁾
Fair value per KUB Share on diluted basis (RM)		0.98

Notes:

⁽¹⁾ After taking into account the capitalised estimated expenses in relation to the Offer of RM0.57 million in accordance with MFRS 132.

⁽²⁾ Assuming the Offeror receives full acceptances under the Offer where all the Holders opt for the Securities Option and all 199,035,059 existing RCPS issued to JAG pursuant to the Acquisition are fully converted.

⁽³⁾ We have not applied a minority discount as we view that the resulting outcome is not expected to have a material impact to our assessment on the Offer.

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Estimated fair value of the RCPS

KUB may, subject to and in accordance with Section 72 of the Act, at any time during the redemption period of the RCPS, redeem the RCPS in whole or part thereof the outstanding RCPS held by such RCPS holder, at the issue price of RM0.60 in cash by giving the RCPS holders no less than twelve (12) market days' written notice prior to the date of the redemption. As such, there is no fixed redemption schedule in respect of the RCPS. The RCPS holders shall not have the right to require KUB to redeem the RCPS and all outstanding RCPS will be mandatorily converted into new KUB Shares on the maturity date based on the Conversion Ratio.

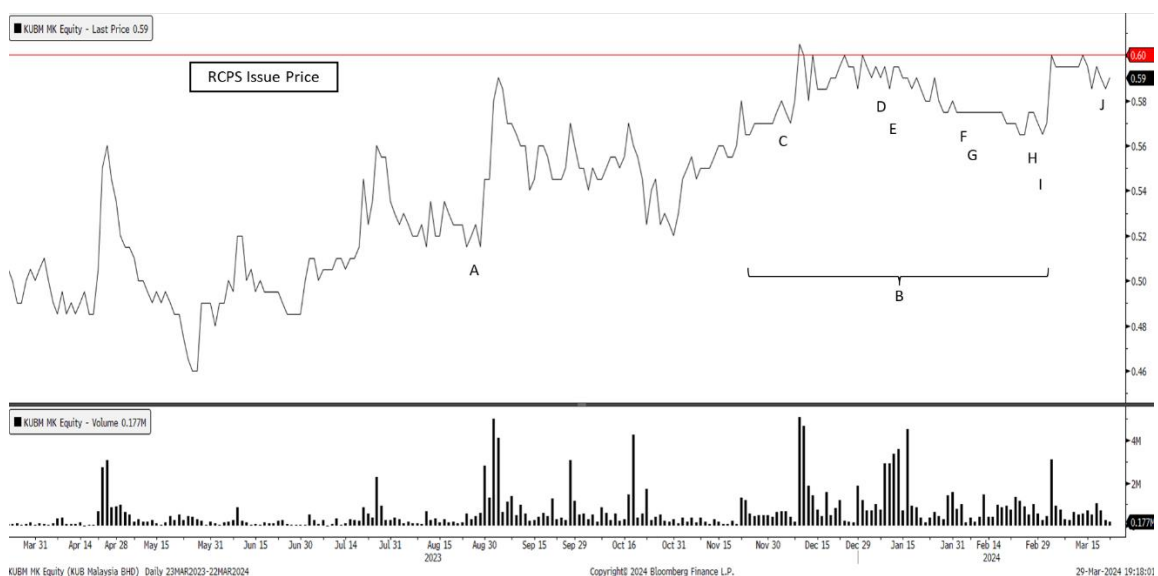
In view that the RCPS does not have any preferential rights over the KUB Shares in terms of dividends and participation in profits (save for ranking in priority to the KUB Shares in any repayment of capital in the event of liquidation, dissolution or winding-up of KUB) and each RCPS is convertible into 1 new KUB Share as well as there is no certainty that all the RCPS will be fully redeemed by KUB during the tenure of the RCPS, the estimated value of each RCPS shall be based on the value per KUB Share of RM0.98 based on a fully diluted basis.

In estimating the value of the RCPS, we have not ascribed:

- (i) any value in terms of the RCPS holders' priority of claims in terms of liquidation proceeds as the Group is assumed to continue as a going concern; and
- (ii) any discount for the RCPS holders' limited voting rights and restriction on transferability or any illiquidity discount (as the RCPS will not be listed, quoted or traded on Bursa Securities or any stock exchange) in view that the RCPS holders may convert the RCPS into new KUB Shares at any time during the tenure of the RCPS and such new KUB Shares to be issued upon conversion of the RCPS shall rank equally in all respect with the then existing KUB Shares and shall be listed on the Main Market of Bursa Securities.

6.2.8 Historical market prices of KUB Shares

As there is no prior market for the RCPS, we have relied on the historical market price analysis of KUB Shares in the evaluation of the RCPS Issue Price/ effective conversion price. The movement of the market prices of KUB Shares for the past 12 months up to the LPD is as follows:



(Source: Bloomberg)

Based on the graph above, we noted that the closing price of KUB Shares has traded between a low of RM0.520 and a high of RM0.605.

During the same period, there have been no changes to the principal activities of KUB Group, prior to the completion of the Acquisition on 28 February 2024. Save as disclosed in the table below and the announcements made in relation to the changes in substantial shareholders interest, changes in board, material litigation, financial results and annual report of KUB Group for the past 12 months up to the LPD, there were no significant events or announcements made by KUB which may have affected the movement of historical market prices of KUB Shares:

Date	Notes	Announcements
29 August 2023	A	Announcement of the first and final dividends for KUB.
21 November 2023 to 28 February 2024	B	Announcements in relation to the Proposals on 21 November 2023, 28 November 2023, 4 December 2023, 8 January 2024, 12 January 2024, 15 January 2024, 18 January 2024, 30 January 2024, 31 January 2024, 6 February 2024, 19 February 2024 and 28 February 2024.
13 December 2023	C	Announcement of the resignation of DSJ as the non-executive Chairman of KUB in view of his appointment to the Government of Malaysia as the Minister of Plantation and Commodities.
8 January 2024	D	Announcement on the receipt of the KUB Notice.
9 January 2024	E	Announcement on the acquisition of 1,787,100 KUB Shares by JAG resulting in the KUB MGO.
6 February 2024	F	Announcement of the dispatch of the circular in relation to the Proposals.
8 February 2024	G	Announcement of the dispatch of the independent advice circular in relation to the KUB MGO.
28 February 2024	H	Announcement of the service of the Notice to the Board.
1 March 2024	I	Announcement of the acquisition of the remaining 40.00% equity interest in KUBS.
20 March 2024	J	Announcement of the dispatch of the Offer Document.

The table below sets out the premium implied by the RCPS Issue Price/ effective conversion price to the historical VWAMP of KUB Shares:

	Market price of KUB Shares/ VWAMP	Premium of the RCPS Issue Price/ effective conversion price to the market price of KUB Shares/ VWAMP
	(RM)	(RM) (%)
<u>Prior to the date of the SPA</u>		
Last traded price as at the LFTD1	0.5550	0.0450 8.11
<u>Up to and including LFTD1</u>		
5-day VWAMP	0.5516	0.0484 8.77
1-month VWAMP	0.5363	0.0637 11.88
3-month VWAMP	0.5554	0.0446 8.03
6-month VWAMP	0.5448	0.0552 10.13
12-month VWAMP	0.5396	0.0604 11.19
<u>Prior to the serving of the Notice</u>		
Last traded price as at the LFTD2	0.5750	0.0250 4.35

	Market price of KUB Shares/ VWAMP (RM)	Premium of the RCPS Issue Price/ effective conversion price to the market price of KUB Shares/ VWAMP (RM)	(%)
<u>Up to and including the LFTD2:</u>			
5-day VWAMP	0.5697	0.0303	5.32
1-month VWAMP	0.5724	0.0276	4.82
3-month VWAMP	0.5867	0.0133	2.27
6-month VWAMP	0.5757	0.0243	4.22
12-month VWAMP	0.5620	0.0380	6.76
<u>Up to the LPD:</u>			
Last traded price as at the LPD	0.5950	0.0050	0.84
5-day VWAMP	0.5857	0.0143	2.44

Based on the table above, we noted that the RCPS Issue Price/ effective conversion price represents the following:

- (i) a **premium** of RM0.0450 (8.11%) over the last traded price of KUB Shares as at the LFTD1 and a **premium** ranging from RM0.0446 (8.03%) to RM0.0637 (11.88%) over the 5-day, 1-month, 3-month, 6-month and 12-month VWAMP of KUB Shares up to and including LFTD1;
- (ii) a **premium** of RM0.0250 (4.35%) over the last traded price of KUB Shares as at the LFTD2 and a **premium** ranging from RM0.0133 (2.27%) to RM0.0380 (6.76%) over the 5-day, 1-month, 3-month, 6-month and 12-month VWAMP of KUB Shares up to LFTD2; and
- (iii) a **premium** of RM0.0050 (0.84%) over the last traded market price of KUB Shares as at the LPD and a **premium** of RM0.0143 (2.44%) over the 5-day VWAMP of KUB Shares up to and including the LPD.

For the period from 1 March 2024, being the next Market Day after the serving of the Notice until the LPD, the market prices of KUB Shares had not traded above the RCPS Issue Price/ effective conversion price.

However, this may not be an indication of future market price performance of KUB Shares which may be influenced by, amongst others, the performance and prospects of KUB Group, prevailing economic conditions, economic outlook, stock market conditions, market sentiments and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical market prices of KUB Shares may not be a reliable indicator for the future price levels and should not be relied upon as an indication of the future price levels. There is also no assurance that the market price of KUB Shares will remain at the current level after the Closing Date.

Although RCPS Issue Price/ effective conversion price represents a premium over closing market prices/ VWAMP of KUB Shares as illustrated above, it represents a discount of RM0.38 or 38.78% to the estimated fair value per KUB Share of RM0.98 on diluted basis. As such, we are of the view that the RCPS Issue Price/ effective conversion price is FAIR.

6.3 Fairness evaluation of the consideration of the Offer Shares

6.3.1 Fairness evaluation of the Cash Option

We have evaluated the fairness of the Cash Option in accordance with paragraph 2 under Schedule 2: Part III of the Rules. Based on our analysis as set out in **Section 6.1 of this IAL**, we noted that the Offer Price of RM2.60037, represents a **premium** of approximately RM0.14 or 5.69% over the fair value per CCB Share of RM2.46.

Premised on the above, we are of the view that the Offer based on the Cash Option is **FAIR**. In arriving at this view, we have not considered the market price of CCB Shares as CCB is not listed on Bursa Securities or any other stock exchange and therefore there is no market price to be referred to.

6.3.2 Fairness evaluation of the Securities Option

In accordance with paragraph 2 under Schedule 2: Part III of the Rules, the Securities Option is considered as "fair" if the value of consideration is equal to or higher than the fair value of CCB Shares.

In determining the fairness of the Offer under the Securities Option, we have evaluated the resultant exchange ratio based on the fair value of CCB Shares as set out in **Section 6.1 of this IAL** by the Exchange Ratio for every one (1) Offer Share surrendered is as follows:

Securities Option	
Fair value of CCB Share	2.46
Fair value of RCPS	0.98 ⁽¹⁾
Resultant exchange ratio	2.51 ⁽²⁾
Exchange Ratio of the Securities Option	4.33395

Notes:

⁽¹⁾ Conversion ratio of each RCCPS into one (1) new KUB Share.

⁽²⁾ The resultant exchange ratio is derived by dividing the fair value of CCB of RM2.46 by the fair value of the RCPS of RM0.98.

As the resultant exchange ratio compares the fair value of both CCB Share and the RCPS, it indicates the fair exchange ratio of CCB Share to the RCPS. Based on the fair value of CCB Share and the fair value of the RCPS, the resultant exchange ratio for the Securities Option is 2.51. In comparing the resultant exchange ratio, we noted that the Exchange Ratio of the Securities Option is higher than the resultant exchange ratio. Holders are therefore receiving more RCPS in exchange for CCB Shares.

We also noted that the implied offer price of the Offer Shares based on the Exchange Ratio of 4.33395 and the fair value of RCPS of RM0.98 is RM4.25. The Offer Price of RM2.60037 represents a discount of approximately RM1.65 or 38.82% to the implied offer price of RM4.25.

Thus, the Offer based on the Securities Option is FAIR.

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7. REASONABLENESS OF THE OFFER

7.1 Compulsory acquisition and rights of Dissenting Holders

As set out in Section 4.2 of the Offer Document, we noted that if the Offeror receives Valid Acceptances of not less than nine-tenths (9/10) in the nominal value of the Offer Shares (excluding CCB Shares already held by the Offeror and persons acting in concert as at the date of the Offer), **the Offeror intends to invoke the provisions of subsection 222(1) of the CMSA** to compulsorily acquire any outstanding Offer Shares for which Valid Acceptances have not been received. In such instance, all the Offer Shares that are compulsorily acquired will, subject to subsection 224(1) of the CMSA, be acquired on the same terms and conditions of the Offer Document.

As set out in Section 4.3 of the Offer Document, notwithstanding the above, subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror receives valid acceptances resulting in the Offeror and persons acting in concert holding not less than nine-tenths (9/10) in value of all the CCB Shares (including CCB Shares already held by the Offeror and PACs as at the date of the Offer) on or before the Closing Date, a Dissenting Holder may exercise his rights under subsection 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his/her Offer Shares on the same terms as set out in the Offer Document or such other terms as may be agreed.

If a Dissenting Holder exercises his rights under the provisions of subsection 223(1) of the CMSA, the Offeror will acquire such CCB Shares in accordance with the provisions of the CMSA, subject to Section 224 of the CMSA. In accordance with subsection 224(3) of the CMSA, when a Dissenting Holder exercises his rights under subsection 223(1) of the CMSA, the court may, on an application made by such Dissenting Holder or by the Offeror, order that the terms on which the Offeror shall acquire such CCB Shares shall be as the court thinks fit.

Notwithstanding the above, pursuant to subsection 224(1) of the CMSA, where a notice is given under subsection 222(1) of the CMSA (as referred to in Section 4.2 above), the court may, on an application made by any Dissenting Holder within one (1) month from the date on which the notice was given by the Offeror, order that the Offeror shall not be entitled and shall not be bound to acquire CCB Shares of any Dissenting Holder or specify terms of acquisition that are different from the terms of the Offer.

Subsection 223(2) of the CMSA requires the Offeror to give the Dissenting Holders a notice in the manner specified by the SC of the rights exercisable by the Dissenting Holders under subsection 223(1) of the CMSA, within one (1) month of the time of the Offeror receiving valid acceptances from the Holders resulting in the Offeror and persons acting in concert holding not less than nine-tenths in the value of all CCB Shares (including CCB Shares already held by the offeror and persons acting in concert).

A notice to the Dissenting Holders under subsection 223(2) of the CMSA may specify the period for the exercise of the rights of the Dissenting Holders and in any event, such period shall not be less than three (3) months after the Closing Date.

Holders are advised to consult their professional adviser(s) should they wish to exercise their rights under subsection 223(1) of the CMSA.

7.2 No competing offer and level of control

In addition, as at the LPD, save for the Offer, CCB has not received any competing offer CCB Shares or any other offer to acquire the assets and liabilities of CCB.

As at the LPD, CCB is a subsidiary of KUB and KUB has statutory control over CCB. With the current level of control, the Offeror and PACs who collectively held 86.65% are generally able to determine the outcomes of resolutions tabled at shareholders' general meetings of the Company including the ability to approve any ordinary or special resolutions as well as to oppose any ordinary or special resolutions on matters in which the Offeror and the PACs are not interested and allowed to vote on at general meetings of the shareholders of CCB.

Further, given that the Offeror and the PACs collectively hold a controlling stake of 86.65% in CCB, any competing offer will not be successful unless supported by the Offeror and the PACs.

7.3 An opportunity to the Holders to realise their investment in the unlisted CCB Shares

The Offer presents an opportunity to the Holders to realise their investment in CCB for cash or continue to participate in the future growth of CCB as well as other businesses of the KUB Group via their shareholdings in KUB upon conversion of the RCPS into KUB Shares by the respective Holders who elect for the Securities Option. Holders may refer to Section 6.2.8 of this IAL for our commentary on the historical traded prices of KUB Shares. Such Holders will also be exposed to KUB Group's other business segments such as the LPG Segment, Agro Segment, ICT Segment, Power Segment and Other Segment. Please refer to Appendix IV of the Offer Document for further information on the KUB Group. Holders are also advised to refer to Sections 6 and 7 of the Offer Document for the future outlook and prospects of the enlarged KUB Group, and the industry and business risks inherent in the KUB Group, respectively.

Holders may not otherwise have the opportunity to realise and monetise their investment as there is no active market for the unlisted CCB Shares.

Based on evaluation above, we are of the view the Offer is **REASONABLE**.

8. RATIONALE FOR THE OFFER AND FUTURE PLANS FOR THE CCB GROUP AND ITS EMPLOYEES

We refer to the rationale for the Offer and the future plans for the CCB Group and its employees as laid out in Sections 3 and 5 respectively of the Offer Document.

8.1 Rationale for the Offer

The rationale for the Offer is as follows:

(i) Mandatory take-over offer obligation

The Offer was extended by the Offeror pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules as a result of the increase in the Offeror's shareholding in CCB from nil to approximately 86.65% pursuant to the Acquisition. The SPA for the Acquisition turned unconditional on 28 February 2024 following the fulfilment of the conditions precedent of the SPA on even date.

In this regard, the Offer provides an opportunity for the Offeror to further increase its shareholding in CCB, thereby further consolidating the Offeror's control in the Offeree.

(ii) Opportunity for the Holders to exit and realise their investment

The Offer provides the Holders with an opportunity to realise their investment for cash at the Offer Price (should the Holders elect for the Cash Option) or for new RCPS to be issued by the Offeror (should the Holders elect for the Securities Option).

8.2 Future Plans for the CCB Group and its employees

The intentions of the Offeror concerning the future plans for the CCB Group and its employees may be summarised as follows:

(i) Continuation of the CCB Group' business

The Offeror intends to preserve, grow and continue with the existing operations of the CCB Group and do not currently have any plans and/or intention to liquidate any company within the CCB Group.

(ii) Major changes to the CCB Group's assets

The Offeror does not have any plans at this juncture to introduce any major changes in the businesses and operations of the CCB Group, liquidate the CCB Group, dispose of any major assets or undertake any major re-deployment of the fixed assets of the CCB Group if the Offer is successful.

(iii) Employees of the CCB Group

The Offeror does not have any plans to dismiss or make redundant the employees of the CCB Group as a direct consequence of the Offer.

We noted that, as at the Offer Document LPD, KUB intends to continue with the existing business of the CCB Group and does not currently have plans to institute major changes in the business and operations of the Group, dispose of any major assets or undertake any major redeployment of its fixed assets, or liquidate the CCB Group.

We noted that the Offeror has no plans to dismiss or make redundant any of CCB Group's existing employees as a direct consequence of the Offer.

Given that the Offeror does not plan to dispose of any major assets of the CCB Group or liquidate any company within the Group or terminate the employment of the Group's existing employees, we are of the view that the business of the CCB Group will not be adversely impacted by the Offer and will continue as a going concern for the foreseeable future.

9. FURTHER INFORMATION

Holders are advised to refer to the views and recommendation of the Non-Interested Directors as set out in Part A of this IAC as well as the attached appendices and other relevant information in the Offer Document for further details in relation to the Offer.

10. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 of Schedule 2: Part III of the Rules whereby:

- (i) in relation to a take-over offer, we have analysed the term "fair and reasonable" as 2 distinct criteria i.e., whether the Offer is "fair" and whether the Offer is "reasonable", rather than as a composite term;
- (ii) we would consider that the Offer as "fair", if the Offer Price (or value of consideration) is equal to or higher than the market price and is also equal to or higher than the value of the Offer Shares. However, if the Offer Price (or value of consideration) is equal to or higher than the market price, but is lower than the value of the Offer Shares, the Offer is considered as "not fair". In making the assessment, the value of the Shares of the Offeree is determined based on the assumption that 100.00% of the Offeree is being acquired; and
- (iii) pursuant to paragraph 4 of Schedule 2: Part III of the Rules, in considering whether the Offer is "reasonable", we have taken into consideration matters other than the valuation of the Offer Shares. The Offer would be considered "reasonable" if it is "fair".

We have assessed and evaluated the Offer and have set out our evaluation on the fairness and reasonableness of the Offer in Sections 6 and 7 of this IAL. Holders should carefully consider the merits and demerits of the Offer based on all relevant and pertinent factors including those set out below and other considerations as set out in this IAC and the Offer Document.

Fairness evaluation of the Cash Option

Based on the EV/EBIDTA computation as set out in **Section 6.1 of Part B of this IAC**, the fair value per CCB Share is RM2.46. As such, the Offer Price of RM2.60037, represents a **premium** of approximately RM0.14 or 5.69% over the fair value per CCB Share of RM2.46.

Premised on the above, we are of the view that the Offer based on the Cash Option is **FAIR**. In arriving at this conclusion, we have not considered the market price of CCB Shares as CCB is not listed on Bursa Securities or any other stock exchange and therefore there is no market price to be referred to.

Fairness evaluation of the Securities Option

Based on our analysis as set out in **Sections 6.2 and 6.3 of Part B of this IAC**, we noted the following:

Based on the fair value of CCB Share of RM2.46 and the fair value of the RCPS of RM0.98 as well as the Exchange Ratio, the resultant exchange ratio for the Securities Option is 2.51. In comparing the resultant exchange ratio, we noted that the Exchange Ratio of the Securities Option of 4.33395 is higher than the resultant exchange ratio. Holders are therefore receiving more RCPS in exchange for CCB Shares.

Premised on the above, we are of the view that the Offer based on the Securities Option is **FAIR**.

Although the RCPS Issue Price/ effective conversion price represents a **premium** over closing market prices/ VWAMP of KUB Shares as set out in 6.3 of Part B of this IAC, it represents a **discount** to the estimated fair value per KUB Share of RM0.98 on a diluted basis.

As such, we are of the view that the RCPS Issue Price/ effective conversion price is **FAIR**.

Reasonableness of the Offer

Based on our evaluation in Section 7 of Part B of this IAC, we have taken into consideration the following factors:

- (i) the Offeror intends to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares for which acceptances have not been received;
- (ii) as at the LPD, save for the Offer, CCB has not received any competing offer for CCB Shares or any other offer to acquire the assets and liabilities of CCB. Further, in view that the Offeror and the PACs collectively hold a controlling stake of 86.65% in CCB, any competing offer will not be successful unless with the support of the Offeror and the PACs; and
- (iii) the Offer represents an opportunity to the Holders to realise their investment in CCB for cash or continue to participate in the future growth of CCB as well as other businesses of the KUB Group via their shareholdings in KUB upon conversion of the RCPS into KUB Shares by the respective Holders who elect for the Securities Option. Such Holders will also be exposed to KUB Group's other business segments such as the LPG Segment, Agro Segment, ICT Segment, Power Segment and Other Segment. Holders may not otherwise have the opportunity to realise their investment as there is no active market for the unlisted CCB Shares.

Premised on the above, we are of the view that the Offer is **REASONABLE**.

Pursuant to the above and our assessments, we are of the view that the Offer in respect of the Cash Option is **FAIR AND REASONABLE** and the Offer in respect of the Securities Option is **FAIR AND REASONABLE**.

Accordingly, DWA Advisory:

- (i) advises the Non-Interested Directors to recommend to the Holders to **ACCEPT** the Offer, and
- (ii) recommends that the Holders **ACCEPT** the Offer.

Based on the above, it is pertinent to note that Holders who wish to accept the Offer can choose either Cash Option or Securities Option as method of settlement.

Between the Cash Option and the Securities Option, we are of the view that the Securities Option is more favourable as the Offer Price of RM2.60037 represents a discount of approximately RM1.65 or 38.82% to the implied offer price of the Offer Shares of RM4.25 based on the fair value of the RCPS of RM0.98 and the Exchange Ratio as compared to a premium of RM0.14 or 5.69% of the Offer Price to the fair value per CCB Share of RM2.46 for the Cash Option.

Accordingly, we advise and recommend that Holders **ACCEPT** the Offer **by electing the Securities Option**. Holders who elect this option whilst being able to continue participating in the CCB Group via KUB's interest in CCB upon conversion of the RCPS received into new KUB Shares, should be aware that they will be exposed to KUB Group's other business segments such as the LPG Segment, Agro Segment, ICT Segment, Power Segment and Other Segment.

However, the decision to be made would rest entirely on the individual risk appetite and specific requirements of the Holders. The Holders should also be mindful that they may be continuous fluctuations in the market prices of KUB Shares prior to the Closing Date. As such, Holders are advised to closely monitor the market prices and information/ announcements in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer Shares.

Our advice as contained in this IAL is addressed to the Holders at large and not to any particular Holder. Accordingly, in providing this advice, we have not taken into consideration any specific investment objectives, financial situation, risk profile and particular needs of any individual Holder or any specific group of Holders. We recommend that any individual Holder or any specific group of Holders who may require advice in the context of their investment objectives, financial situation, risk profile and particular needs should consult their respective stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

Yours faithfully
For and on behalf of
DWA Advisory Sdn Bhd

Muhamad Sabberi Badrul Jamil
Senior Principal

Dato' Wan Asmadi Wan Ahmad
Managing Principal

INFORMATION ON CCB

1. HISTORY AND PRINCIPAL ACTIVITIES

CCB was incorporated under the name of Sharikat Central Cables Sendirian Berhad on 6 June 1967 in Malaysia under the Companies Act, 1965 and is deemed registered under the Act as a private limited company. CCB was converted into a public company on 25 August 1980 and assumed its present name. CCB is not listed on Bursa Securities or any other stock exchange.

CCB is principally involved in investment holding and the manufacturing of power cables and wires while its subsidiaries are currently dormant.

Further information on CCB's subsidiaries are set out in Section 5 of this Appendix I.

2. SHARE CAPITAL

2.1 Issued share capital

As at the LPD, the issued share capital of CCB as stated in the table below:

	No. of CCB Shares	Amount (RM)
Issued share capital	53,000,000	53,000,000

As at the LPD, there is only one class of ordinary shares in CCB. All CCB shares rank *pari passu* in terms of voting rights and entitlements to any dividends, rights, allotments and/or distributions which may be declared, made or paid to the shareholders.

2.2 Changes in the issued share capital

As at the LPD, there are no changes in CCB's issued share capital since the end of the FYE 30 June 2023 up to the LPD.

2.3 Convertible securities

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

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of CCB are as follows:

Name	Country of Incorporation/ Nationality	Direct		Indirect	
		No. of CCB Shares	% ⁽¹⁾	No. of CCB Shares	% ⁽¹⁾
KUB	Malaysia	45,924,632	86.65	-	-
JAG	Malaysia	-	-	45,924,632	86.65 ⁽²⁾
DSJ	Malaysian	-	-	45,924,632	86.65 ⁽³⁾

Notes:

⁽¹⁾ Based on the issued share capital of 53,000,000 CCB Shares as at the LPD.

INFORMATION ON CCB							
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(2) Deemed interest by virtue of JAG's interest in KUB pursuant to Section 8 of the Act.

(3) Deemed interest by virtue of his interest in JAG pursuant to Section 8 of the Act.

4. DIRECTORS OF CCB

As at the LPD, the details of the Board and their respective shareholdings in CCB are as follows:

Name	Nationality	Designation	Correspondence Address	Direct		Indirect	
				No. of CCB Shares	% ⁽¹⁾	No. of CCB Shares	% ⁽¹⁾
Dato' Sri Zohari Bin Akob	Malaysian	Director	c/o Suite C-5-4, Wisma Goshen, Jalan Pantai Baharu, Plaza Pantai 59200, Kuala Lumpur	-	-	-	-
ZZB	Malaysian	Director	c/o Suite C-5-4, Wisma Goshen, Jalan Pantai Baharu, Plaza Pantai 59200, Kuala Lumpur	-	-	-	-
Mohd Aizat Bin Mohd Yusoff	Malaysian	Director	c/o Suite C-5-4, Wisma Goshen, Jalan Pantai Baharu, Plaza Pantai 59200, Kuala Lumpur	-	-	-	-
ANJ	Malaysian	Director	c/o Suite C-5-4, Wisma Goshen, Jalan Pantai Baharu, Plaza Pantai 59200, Kuala Lumpur	1	-*	-	-

Notes:

* Negligible.

⁽¹⁾ Based on the issued share capital of 53,000,000 CCB Shares as at the LPD.

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INFORMATION ON CCB

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES

As at the LPD, the subsidiary companies of CCB are as follows:

Name	Country of incorporation	Effective percentage of ownership (%)	Principal activities
Subsidiaries of CCB:			
CCB Cables & Wires Trading Sdn Bhd	Malaysia	100.00	Trading of cables and wires (currently dormant)
Atlas Wire & Cable Sdn Bhd	Malaysia	100.00	Manufacturing of wire and cables (currently dormant)
Fumori Industries Sdn Bhd	Malaysia	100.00	Letting of property and property holding (currently dormant)

As at the LPD, CCB does not have any associated companies.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of CCB Group based on the audited financial statements for the FYE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023, and the latest unaudited consolidated financial statements for the 6-month FPE 30 December 2023 are as follows:

	Audited			Unaudited
	FYE 30 June 2021	FYE 30 June 2022	FYE 30 June 2023	6-month FPE 31 December 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	30,466	140,553	199,151	97,333
PBT	2,400	3,649	15,045	8,185
PAT ⁽¹⁾	1,318	2,034	11,647	6,505
No of CCB Shares in issue (units '000)	53,000	53,000	53,000	53,000
Net earnings per share (sen) ⁽²⁾	0.02	0.04	0.22	0.12
Net dividend per share	0.08	0.03	1.00 ⁽³⁾	-

(Sources: Audited consolidated financial statement of CCB Group for FYE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023; and latest unaudited consolidated financial statements for 6-month FPE 31 December 2023 of CCB Group.)

Notes:

⁽¹⁾ There is no non-controlling interest.

INFORMATION ON CCB

⁽²⁾ Computed based on the net PAT over the number of CCB Shares in issue for the respective FYE/FPEs.

⁽³⁾ The Board had declared an interim special dividend of 94 sen per Share paid on 23 June 2023 and a single-tier dividend of 6 sen per Share paid on 18 October 2023.

There were no exceptional items in the audited consolidated financial statements of CCB Group for the FYE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023; and latest unaudited consolidated financial statements for 6-month FPE 31 December 2023.

The financial performances of CCB Group for FYE 30 June 2021, FYE 30 June 2022, FYE 30 June 2023 and unaudited FPE 31 December 2023 are summarised below:

(i) FYE 30 June 2022

The CCB Group's revenue increased by RM10.08 million or 7.73% from RM130.47 million for the FYE 30 June 2021 to RM140.55 million for the FYE 30 June 2022. The increase in revenue was attributed to the gradual recovery from the COVID-19 pandemic, coupled with a consistent influx of purchase orders for cables from the CCB Group's major customer.

The increase in revenue was primarily driven by heightened demand for cables, which was prompted by the resumption of development projects that had been delayed during the lockdowns.

Gross profit decreased from RM6.49 million for the FYE 30 June 2021 to RM6.04 million for the FYE 30 June 2022 mainly attributable to the increase in the cost of aluminium which constitute a significant portion of the cable production by approximately 9.4% from average aluminium price of USD2,473 per metric tonne in year 2021 to USD2,705 per metric tonne in year 2022.

CCB's consolidated PBT increased by RM1.25 million from RM2.40 million for the FYE 30 June 2021 to RM3.65 million for the FYE 30 June 2022 contributed by reversal of allowance for impairment loss on trade receivables of RM1.71 million in the FYE 30 June 2022 due to repayment made by a debtor.

CCB's consolidated PAT also increased by RM0.71 million or 54.32% from RM1.32 million for the FYE 30 June 2021 to RM2.03 million for the FYE 30 June 2022 in line with the increase in revenue and PBT during the financial year.

(ii) FYE 30 June 2023

The CCB Group's revenue increased by RM58.60 million or 41.69% from RM140.55 million for the FYE 30 June 2022 to RM199.15 million for the FYE 30 June 2023 mainly due to an increase in purchase orders received from customers. Customer orders for cables are measured in single core length equivalent in KM, with the total increase of 2,411KM or 35.2% year on year.

The CCB Group benefitted from the domestic market reopening post COVID-19 lockdowns during the FYE 30 June 2023 which allowed employees to return to the workplace, enabling the CCB Group to take advantage of its excess capacity to take up more orders and provide higher level of commitment to fulfil existing customer orders.

CCB's consolidated PBT increased by RM11.40 million or 312.32% from RM3.65 million for the FYE 30 June 2022 to RM15.05 million for the FYE 30 June 2023 in line with the increase in revenue and improved margins as a result of strategic pricing adjustment with customers which was enabled by a sharp drop in metal prices in the first quarter of the FYE 30 June 2023. CCB also benefited from better investment income from short term funds, in line with the increased overnight policy rate throughout the FYE 30 June 2023.

INFORMATION ON CCB

CCB's consolidated PAT also increased by RM9.61 million or 472.61% from RM2.03 million for the FYE 30 June 2022 to RM11.65 million for the FYE 30 June 2023 in line with the increase in revenue and PBT during the financial year.

(iii) Unaudited FPE 31 December 2023

The CCB Group's revenue decreased by RM26.5 million or 21.40% from RM123.83 million for the FPE 31 December 2022 to RM97.33 million for the FPE 31 December 2023 as the previous FPE had experienced a surge in demand. This higher demand from CCB's largest customer segment was due to the full re-opening of the Malaysian economy during the period, as ad-hoc contracts were awarded in order to fulfil the backlog of power cables required since the COVID-19 lockdown.

CCB's consolidated PBT declined by RM7.37 million or 47.39% from RM15.56 million for the FPE 31 December 2022 to RM8.19 million for the FPE 31 December 2023 in line with the decline in revenue for the period.

The higher PBT for the FPE 31 December 2022 was mainly due to the higher revenue.

CCB's consolidated PAT also declined by RM5.32 million or 44.98% from RM11.82 million for the FPE 31 December 2022 to RM6.50 million for FPE 31 December 2023 in line with the decline in revenue and PBT during the FPE 31 December 2023.

7. STATEMENT OF ASSETS AND LIABILITIES

The statements of assets and liabilities of CCB Group based on the audited consolidated financial statements as at 30 June 2021, 30 June 2022, 30 June 2023 and latest unaudited consolidated financial statements as at 31 December 2023 are as follows:

	As at 30 June 2021 (RM'000)	Audited As at 30 June 2022 (RM'000)	As at 30 June 2023 (RM'000)	Unaudited As at 31 December 2023 (RM'000)
ASSETS				
Non-current assets				
Property, plant and equipment	40,975	22,879	20,266	18,388
Right-of-use assets	5,015	5,553	5,277	5,851
Investment properties	-	14,240	15,326	15,306
Total non-current assets	45,990	42,672	40,869	39,545
Current assets				
Inventories	34,341	36,851	35,864	36,558
Trade and other receivables	14,412	24,088	27,503	25,696
Current tax assets	1,011	554	698	-
Short term fund	47,032	46,950	2,181	9,311
Prepayments	-	-	-	846

INFORMATION ON CCB

	Audited			Unaudited
	As at 30 June 2021 (RM'000)	As at 30 June 2022 (RM'000)	As at 30 June 2023 (RM'000)	As at 31 December 2023 (RM'000)
Short term deposits, cash and bank balances	34,965	37,298	33,026	40,021
Total current assets	131,761	145,741	99,271	112,432
TOTAL ASSETS	177,751	188,412	140,140	151,977
EQUITY AND LIABILITIES				
Equity attributable to owners of the company				
Share capital	53,000	53,000	53,000	53,000
Retained earnings	66,749	67,194	27,431	30,587
TOTAL EQUITY	119,749	120,194	80,431	83,587
Non-current liabilities				
Term loan	5,093	3,392	2,191	2,100
Lease liabilities	34	263	195	205
Deferred tax liabilities	4,087	4,215	4,261	-
Total non-current liabilities	9,214	7,870	6,647	2,305
Current Liabilities				
Trade and other payables	11,425	16,489	10,188	17,326
Contract liabilities	1,077	1,559	2,165	261
Borrowings	35,655	42,069	40,555	43,509
Lease liabilities	47	231	155	727
Deferred tax liabilities	584	-	-	4,261
Total current liabilities	48,788	60,348	53,063	66,084
TOTAL LIABILITIES	58,001	68,218	59,710	68,389
TOTAL EQUITY AND LIABILITIES	177,751	188,412	140,140	151,977

(Sources: Annual reports of CCB Group for the FYE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023; and latest unaudited consolidated financial statements for 3-month FPE 31 December 2023 of CCB Group.)

As at the LPD, there is no known material change in the financial position of CCB Group, subsequent to the latest audited consolidated financial statements for the FYE 30 June 2023.

INFORMATION ON CCB

8. ACCOUNTING POLICIES

The audited consolidated financial statements of CCB for at 30 June 2021, 30 June 2022 and 30 June 2023 have been prepared based on approved accounting standards in Malaysia and there was no audit qualification for financial statements of CCB for the financial period under review.

There are no changes in the accounting standards adopted by CCB which would result in a material variation to the comparable figures for the audited consolidated financial statements of CCB for the FYE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023.

9. BORROWINGS

As at unaudited 31 December 2023, the total outstanding borrowing of CCB Group of approximately RM45.81 million is as set out below:

Borrowings	(RM'000)
Long term borrowings:	
Loans and borrowings	2,100
Hire purchase	205
Bills Acceptance	43,509
Total borrowings	45,814

10. MATERIAL COMMITMENTS

As at the LPD, the Board confirms that there are no material commitments incurred or known to be incurred by CCB that have not been provided for and, upon becoming due or enforceable, may have a material impact on the financial position of CCB Group.

11. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred by CCB and, upon becoming due or enforceable, may have a material impact on the financial position of CCB.

12. MATERIAL LITIGATION

As at the LPD, save as disclosed below, the CCB Group is not involved in any material litigation, claims and/or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings, pending or threatened, against the CCB Group or any facts likely to give rise to any proceedings which may materially or adversely affect the business or financial position of the CCB Group:

- (i) CCB and FEC Cables (M) Sdn Bhd ("FEC"); and
- (ii) CCB and Haji Rosnizar Bin Abdul Majid, Narihaliza Binti Abdul Rahman, Arzmi Bin Mohd Sharif and Norkamal Bin Zaa ("FEC Directors")

INFORMATION ON CCB

On 5 June 2020, CCB initiated a legal action against FEC in the High Court of Kuala Lumpur to recover an outstanding amount of RM3,228,833.18 ("**Outstanding Amount**") owed by FEC to CCB for the cables and associated services provided by CCB to FEC. On 5 October 2020, the High Court of Kuala Lumpur issued a summary judgment for FEC to pay CCB the Outstanding Amount ("**Summary Judgment**"). However, FEC failed to settle the Outstanding Amount. As a result, CCB commenced winding-up proceedings against FEC at the High Court of Kuala Lumpur ("**First Legal Action**"). Upon service of the cause papers for the First Legal Action, the FEC Directors submitted a settlement proposal to CCB which sets out the terms of payment of the Outstanding Amount i.e. in different tranches, and includes a personal guarantee provided by the FEC Directors to CCB to pay on demand all sum of money at any time due on any account whatsoever from FEC to CCB together with interest and cost ("**Settlement Proposal**"). Pursuant to the Settlement Proposal, CCB withdrew the First Legal Action against FEC. However, FEC and the FEC Directors then defaulted payment of the balance Outstanding Amount of RM1,528,834.00 ("**Balance Outstanding Amount**") under the Settlement Proposal. Consequently, CCB brought a second winding-up proceedings against FEC in the High Court of Shah Alam and initiated a claim against the FEC Directors in the High Court of Kuala Lumpur to recover the Balance Outstanding Amount ("**Second Legal Action**").

On 21 November 2023, CCB had submitted the proof of debt for the Second Legal Action and is waiting for the liquidators to inform them of the next steps. As at the LPD, there has been no material development pertaining to this litigation.

13. MATERIAL CONTRACTS

As at the LPD, CCB has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years prior to the commencement of the Offer Period.

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this IAC. The Board, collectively and individually, accepts full responsibility for the accuracy and completeness of the information contained in this IAC and confirms that, after having made all reasonable enquiries, that to the best of the knowledge and belief:

- (i) there are no other facts and/or information, the omission of which would render any statement or information relating to CCB in this IAC incomplete, false and/or misleading;
- (ii) all material facts and/or information in relation to the Offer (including those required under the Rules) have been accurately and completely disclosed in this IAC; and
- (iii) opinions expressed by the Board (save for the Interested Directors) in this IAC have been arrived at after due and careful consideration.

Further, the responsibility of the Board in respect of:

- (i) the information relating to the Offeror and the PACs and the Offer (as extracted from the Offer Document) is limited to ensure that such information is accurately reproduced in this IAC; and
- (ii) the independent advice and expression of opinion by DWA Advisory in relation to the Offer as set out in Part B of this IAC, is to ensure that accurate information in relation to CCB Group was provided to DWA Advisory for its evaluation of the Offer and to ensure that all information in relation to CCB for DWA Advisory's evaluation of the Offer has been accurately and completely disclosed to DWA Advisory and that there is no material fact, the omission of which would make any information provided to DWA Advisory false or misleading.

2. CONSENTS

DWA Advisory and Maybank IB have given and have not subsequently withdrawn their written consent to the inclusion of their names and all references thereto in the form and context in which they appear in this IAC.

3. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES

3.1 By CCB

(i) Disclosure of interests in the Offeror

CCB does not have any interest, whether direct or indirect, in any voting shares or convertible securities in the Offeror as at the LPD.

(ii) Dealings in the securities of the Offeror

CCB has not dealt, directly or indirectly, in any voting shares or convertible securities in the Offeror during the period commencing 6 months before the commencement of the Offer Period and up to the LPD.

FURTHER INFORMATION

(iii) Disclosure of dealings in the securities of CCB

CCB has not dealt, directly or indirectly, in any of its own voting shares or convertible securities during the period commencing six (6) months before the commencement of the Offer Period and up to the LPD.

3.2 By the Board**(i) Disclosure of interests in the Offeror**

Save as disclosed below, as at the LPD, none of the Directors of CCB have any interest, whether direct or indirect, in any voting shares or convertible securities of the Offeror:

Name	Designation	Direct		Indirect	
		No. of KUB Shares ⁽¹⁾	%	No. of KUB Shares ⁽¹⁾	%
ZZB	Director	-	-	1,000 ⁽²⁾	-*

Notes:

* Negligible.

⁽¹⁾ Based on the 556,464,690 outstanding KUB Shares as at the LPD.

⁽²⁾ Deemed interest by virtue of his spouse's shareholding pursuant to Section 59(11)(c) of the Act.

(ii) Dealings in the securities of the Offeror

Save for disclosed below, the Directors of CCB have not dealt, directly or indirectly, in any of the voting shares or convertible securities of the Offeror during the period commencing six (6) months before the commencement of the Offer Period and up to the LPD:

Name	Date	Nature of Transaction	Nature of Interest	No. of KUB Shares	Percentage of shareholding in KUB ⁽¹⁾ (%)	Consideration per KUB Shares (RM)
ZZB	23 May 2023	Acquisition from open market	Indirect	10,000	-*	0.470
	9 June 2023	Disposal through open market	Indirect	10,000	-*	0.515
	13 June 2023	Acquisition from open market	Indirect	5,000	-*	0.500
	16 June 2023	Acquisition from open market	Indirect	10,000	-*	0.495
	19 June 2023	Acquisition from open market	Indirect	5,000	-*	0.495
	21 June 2023	Acquisition from open market	Indirect	9,500	-*	0.490
	23 June 2023	Acquisition from open market	Indirect	10,000	-*	0.490
	26 June 2023	Acquisition from open market	Indirect	600	-*	0.485

FURTHER INFORMATION						
Name	Date	Nature of Transaction	Nature of Interest	No. of KUB Shares	Percentage of shareholding in KUB ⁽¹⁾ (%)	Consideration per KUB Shares (RM)
ZZB (<i>cont'd</i>)	27 June 2023	Acquisition from open market	Indirect	5,000	-*	0.485
	30 June 2023	Acquisition from open market	Indirect	5,000	-*	0.485
	3 July 2023	Acquisition from open market	Indirect	5,000	-*	0.495
	11 August 2023	Acquisition from open market	Indirect	10,000	-*	0.515
	28 August 2023	Acquisition from open market	Indirect	20,000	-*	0.518
	29 August 2023	Acquisition from open market	Indirect	10,000	-*	0.510
	1 September 2023	Disposal through open market	Indirect	20,000	-*	0.545
	4 September 2023	Disposal through open market	Indirect	75,100	-*	0.555
	12 September 2023	Acquisition from open market	Indirect	10,000	-*	0.545
	14 September 2023	Acquisition from open market	Indirect	10,000	-*	0.535
	24 October 2023	Acquisition from open market	Indirect	10,000	-*	0.525
	24 November 2023	Acquisition from open market	Indirect	10,000	-*	0.560
	11 December 2023	Disposal through open market	Indirect	40,000	-*	0.596
	4 March 2024	Acquisition from open market	Indirect	1,000	-*	0.565
	Mohd Aizat bin Mohd Yusoff	20 July 2023	Acquisition from open market	Direct	1,900	-*
4 September 2023		Disposal through open market	Direct	1,900	-*	0.575
22 November 2023		Acquisition from open market	Direct	2,000	-*	0.560
14 March 2024		Disposal through open market	Direct	2,000	-*	0.595

Notes:

* Negligible.

⁽¹⁾ Based on the 556,464,690 outstanding KUB Shares as at the LPD.

FURTHER INFORMATION

(iii) Disclosure of interests in CCB

The disclosure of interests of the Directors of CCB in accordance with the disclosure requirements of the Rules are set out in Section 4 of Appendix I of this IAC.

(iv) Disclosure of dealings in the securities of CCB

The Directors of CCB have not dealt, directly or indirectly, in the securities of CCB during the period commencing six (6) months before the commencement of the Offer Period and up to the LPD.

3.3 By the persons with whom CCB or any persons acting in concert with it has any arrangement

As at the LPD, there is no person with whom CCB or any persons acting in concert with it has entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to the securities of CCB or KUB which may be an inducement to deal or to refrain from dealing.

3.4 By the persons with whom CCB or any persons acting in concert with it has borrowed or lent

As at the LPD, there is no person with whom CCB or any persons acting in concert with it has borrowed or lent any voting shares or convertible securities of CCB and KUB.

3.5 By DWA Advisory**(i) Disclosure of interests in CCB and KUB**

As at the LPD, DWA Advisory does not have any interest, whether direct or indirect, in any voting shares or convertible securities of CCB and KUB.

(ii) Disclosure of dealings in securities of CCB and KUB

DWA Advisory has not dealt, directly or indirectly, in any of the voting shares or convertible securities of CCB and KUB during the period commencing six (6) months before the commencement of the Offer Period and up to the LPD.

(iii) Disclosure of interest in CCB and KUB by funds whose investments are managed by DWA Advisory on a discretionary basis

As at the LPD, DWA Advisory is not involved in the management of funds on a discretionary basis during the period commencing six (6) months before the commencement of the Offer Period and up to the LPD.

4. ARRANGEMENT AFFECTING DIRECTORS

(i) As at the LPD, there is no payment or other benefit that will be made or given to any director of CCB as compensation for loss of office or otherwise in connection with the Offer.

(ii) As at the LPD, there is no agreement or arrangement between any director of CCB and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the outcome of the Offer.

(iii) As at the LPD, the Offeror and the persons acting in concert with the Offeror have not entered into any material contract in which any director of CCB has a material personal interest.

FURTHER INFORMATION**5. SERVICE CONTRACTS**

As at the LPD, neither CCB nor its subsidiaries have any service contracts with any directors of CCB or proposed directors of CCB, which have been entered into or amended within six (6) months before the commencement of the Offer Period or which are fixed-term contracts with more than twelve (12) months to run.

For the purpose of this section, the term “service contracts” excludes those expiring or determinable by the employing company without payment of compensation within twelve (12) months from the date of this IAC.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of CCB at Suite C-5-4, Wisma Goshen, Jalan Pantai Baharu, Plaza Pantai, 59200, Kuala Lumpur, Wilayah Persekutuan during normal business hours, i.e. from 8.30 a.m. to 5.30 p.m. (Malaysia time) on Monday to Friday (excluding public holidays) from the date of this IAC up to and including the Closing Date:

- (i) the audited consolidated financial statements of CCB for the FYE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023 as well as the latest unaudited consolidated financial statements for the FPE 31 December 2023;
- (ii) a copy of the Notice dated 28 February 2024;
- (iii) the Offer Document; and
- (iv) the letters of consent referred to in Section 2 of this Appendix II.

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