

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY IF YOU HAVE ANY DOUBT ABOUT THE PROPOSED SCR (AS DEFINED HEREIN).

If you have sold or transferred all your shares in NCB Holdings Bhd (“NCB” or the “Company”), you should hand this document (“Document”) together with the enclosed Proxy Form immediately to the person through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee.

The Securities Commission Malaysia (“SC”) has notified that it has no further comments to this Document pursuant to subparagraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions (“Rules”). However, such notification shall not be taken to suggest that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of the Board of Directors of NCB (save for the Interested Directors as defined herein), or that the SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

The SC takes no responsibility for the contents of this Document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this Document.



NCB HOLDINGS

A Member of  **MMC Group**

NCB HOLDINGS BHD

(Registration No. 199901000321 (475221-K))

(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF NCB PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 (“PROPOSED SCR”)

PART B

INDEPENDENT ADVICE LETTER FROM ALLIANCE ISLAMIC BANK BERHAD TO THE BOARD OF DIRECTORS AND THE ENTITLED SHAREHOLDERS OF NCB IN RELATION TO THE PROPOSED SCR AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



RHB INVESTMENT BANK BERHAD

(Registration No. 197401002639 (19663-P))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser



ALLIANCE ISLAMIC BANK

Alliance Islamic Bank Berhad 200701018870 (776882-V)

ALLIANCE ISLAMIC BANK BERHAD

(Registration No. 200701018870 (776882-V))

The Notice of Extraordinary General Meeting (“EGM”) of NCB and the Proxy Form are enclosed in this Document. The EGM has been scheduled to be held as follows:

| | |
|---|--|
| Date and time of the EGM | : Wednesday, 15 November 2023 at 10.00 a.m. |
| Venue of the EGM | : CBM Hall, Ground Floor, Northport Building C, Northport (Malaysia) Bhd, Jalan Pelabuhan, Pelabuhan Utara, 42000 Port Klang, Selangor Darul Ehsan, Malaysia |
| Last date and time for lodging the Proxy Form | : Tuesday, 14 November 2023 at 10.00 a.m. |

Only a depositor (or his or her proxy) whose name appears on the Record of Depositors as at 8 November 2023 shall be entitled to attend the said meeting and to speak or vote thereat.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote for on his or her behalf, in such event, the Proxy Form should be completed and deposited at the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or electronically via email at bsr.helpdesk@boardroomlimited.com or through Boardroom Smart Investor Portal (“BSIP”) at <https://investor.boardroomlimited.com> not less than twenty-four (24) hours before the date and time fixed for our forthcoming EGM, or at any adjournment thereof. The procedures for members to lodge electronic Proxy Form via the BSIP are provided in the Administrative Details for the EGM. The Proxy Form should be completed strictly in accordance with the instructions contained therein. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the EGM, should you subsequently wish to do so.

This Document is dated 24 October 2023

DEFINITIONS

The following abbreviations and definitions shall apply throughout this Document unless the context otherwise requires:

| | |
|--|---|
| Act | : Companies Act 2016 |
| Alliance Islamic Bank or Independent Adviser | : Alliance Islamic Bank Berhad (Registration No. 200701018870 (776882-V)) |
| Board | : Board of Directors of NCB |
| Bursa Depository | : Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W)) |
| Bursa Securities | : Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)) |
| Circular | : The circular to the shareholders of NCB pursuant to Schedule 3 of the Rules in relation to the Proposed SCR, as set out in Part A of this Document |
| CMSA | : Capital Markets and Services Act 2007 |
| Director(s) | : The Director(s) of our Company as at the LPD |
| Distribution | : Has the meaning as set out in Section 2.3 of Part A of this Document |
| Document | : This document of NCB dated 24 October 2023, which consists of the Circular, the IAL and all the accompanying appendices to the shareholders of our Company in relation to the Proposed SCR |
| eDividend Account(s) | : The bank account(s) registered with Bursa Depository by the Entitled Shareholders for purposes of receiving electronic cash dividend payments |
| Effective Date | : The date on which an office copy of the Order is lodged with the Registrar of Companies pursuant to subsection 116(6) of the Act |
| EGM | : Extraordinary General Meeting |
| Entitled Shareholder(s) | : All the shareholders of our Company (save for the Non-Entitled Shareholder(s)) whose names appear in the Record of Depositors of NCB as at 5.00 p.m. on the Entitlement Date |
| Entitlement Date | : The date on which the names of the Entitled Shareholders must be registered in the Record of Depositors of NCB as at the close of business for the purposes of determining their entitlement under the Proposed SCR, which shall be determined and announced later by the Board (save for the Interested Directors) |
| EPS | : Earnings per share |
| FYE | : Financial year ended or ending, as the case may be |
| High Court | : High Court of Malaya |
| IAL | : The independent advice letter dated 24 October 2023 from Alliance Islamic Bank to the Board and the Entitled Shareholders in relation to the Proposed SCR, as set out in Part B of this Document |
| ICSB | : Indra Cita Sdn Bhd (Registration No. 199301020459 (275197-V)), being the holding company of STJSB, with a direct interest of 100.00% in STJSB |

DEFINITIONS *(Cont'd)*

| | |
|-----------------------------|---|
| Interested Directors | : Collectively, Tan Sri Che Khalib bin Mohamad Noh, Dato' Azman Shah bin Mohd Yusof, Badrulhisyam bin Fauzi and Asyraf Suhaimi bin Sulaiman |
| Lodgment | : The lodgment of an office copy of the Order with the Registrar of Companies pursuant to subsection 116(6) of the Act |
| LPD | : 18 October 2023, being the latest practicable date prior to the printing and despatch of this Document |
| Major Shareholder | : A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is: (i) 10.00% or more of the total number of voting shares in the corporation; or (ii) 5.00% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in section 8 of the Act |
| MMC or Ultimate Offeror | : MMC Corporation Berhad (Registration No. 197601004261 (30245-H)) |
| MMC Group | : Collectively, MMC and its subsidiaries |
| MMC Port or Offeror | : MMC Port Holdings Sdn Bhd (Registration No. 200601028801 (748557-X)) |
| NCB or Company | : NCB Holdings Bhd (Registration No. 199901000321 (475221-K)) |
| NCB Group or Group | : Collectively, NCB and its subsidiaries |
| NCB Share(s) | : Ordinary share(s) of our Company |
| NA | : Net assets |
| N.E.C. | : Not elsewhere classified |
| Non-Entitled Shareholder(s) | : The shareholders who will not be entitled to the capital repayment pursuant to the Proposed SCR, namely the Offeror, the Ultimate Offeror and their PACs, where applicable |
| Offer | : The request made by the Offeror to our Company to undertake the Proposed SCR |
| Order | : An order granted by the High Court confirming the reduction of the issued share capital of our Company pursuant to section 116 of the Act |
| PACs | : Persons acting in concert with the Offeror and/or the Ultimate Offeror in relation to the Proposed SCR pursuant to subsections 216(2) and 216(3) of the CMSA as at the LPD |
| PAT | : Profit after zakat and taxation |
| PBT | : Profit before zakat and taxation |
| Proposed SCR | : Proposed selective capital reduction and repayment exercise pursuant to section 116 of the Act to be undertaken by our Company |
| RCPS | : Redeemable convertible preference shares |

DEFINITIONS (Cont'd)

| | | |
|--|---|--|
| Record of Depositors | : | A record of securities holders provided by Bursa Depository pursuant to the rules of the central depository as defined in the Securities Industry (Central Depositories) Act 1991 |
| RHB Investment Bank or Principal Adviser | : | RHB Investment Bank Berhad (Registration No. 197401002639 (19663-P)) |
| Rules | : | Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC |
| SC | : | Securities Commission Malaysia |
| SCR Offer Letter | : | The offer letter dated 24 August 2023 from the Offeror requesting our Company to undertake the Proposed SCR as set out in Appendix I of this Document |
| SCR Offer Price | : | RM4.80 per NCB Share, being the cash consideration to be paid for each existing NCB Share held by the Entitled Shareholders on the Entitlement Date pursuant to the Proposed SCR. Based on the 3,959,154 NCB Shares held by the Entitled Shareholders as at the LPD and the SCR Offer Price, the Entitled Shareholders will receive a total capital repayment of RM19,003,939.20 |
| Special Resolution | : | The special resolution in respect of the Proposed SCR to be tabled at the forthcoming EGM which, pursuant to subparagraph 2(f) of Schedule 3 of the Rules, must be approved by at least: <ul style="list-style-type: none">(i) a majority in number of Entitled Shareholders and 75.00% in value to the votes attached to the disinterested NCB Shares that are cast either in person or by a proxy or proxies at the forthcoming EGM; and(ii) the value of the votes cast against the special resolution for the Proposed SCR at the forthcoming EGM is not more than 10.00% of the votes attached to all the disinterested NCB Shares of the total voting shares of our Company |
| STJSB | : | Seaport Terminal (Johore) Sdn Bhd (Registration No. 199101010995 (221307-M)), being a wholly-owned subsidiary of ICSB |
| TSSM | : | Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor, being the major shareholder of ICSB, with a direct interest of 99.99% in ICSB |

Currency

RM and sen : Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia

All references to “**our Company**” and “**our**” in this Document are to NCB and all references to “**our Group**” are to NCB Group. All references to “**you**” and “**your**” in this Document are to our shareholders.

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

DEFINITIONS *(Cont'd)*

Any references in this Document to the provisions of any statute, rules or regulation shall (where the context admits) be construed as a reference to the provisions of such statute, rules or regulation (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules or regulation for the time being in force.

Any references to a time of day and date in this Document shall be a reference to Malaysian time and date, respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy in the figures included in this Document between the amount stated, actual figures and the total thereof are due to rounding adjustments.

Certain statements in this Document may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known or unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Document should not be regarded as a representation or warranty that our Company's and/or our Group's plans and objectives will be achieved.

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PART A

CIRCULAR TO SHAREHOLDERS OF NCB IN RELATION TO THE PROPOSED SCR



NCB HOLDINGS

A Member of  **MMC Group**

NCB HOLDINGS BHD

(Registration No. 199901000321 (475221-K))
(Incorporated in Malaysia)

Registered office:

Ground Floor
Wisma Budiman
Persiaran Raja Chulan
50200 Kuala Lumpur
Malaysia

24 October 2023

Board of Directors:

Tan Sri Che Khalib bin Mohamad Noh (*Director*)
Dato' Azman Shah bin Mohd Yusof (*Director*)
Badrulhisyam bin Fauzi (*Director*)
Asyraf Suhaimi bin Sulaiman (*Director*)
Ahmad Aznan bin Mohd Nawawi (*Independent Director*)

To: Our shareholders

Dear Sir/Madam,

PROPOSED SCR

1. INTRODUCTION

On 24 August 2023, our Board announced by way of press notice that our Company had on even date received the SCR Offer Letter from the Offeror, requesting our Company to undertake a selective capital reduction and repayment exercise pursuant to section 116 of the Act. The Non-Entitled Shareholder(s) will hold the entire equity interest in our Company upon completion of the Proposed SCR.

In accordance with paragraph 3.06 of the Rules, on 28 August 2023, our Company had appointed Alliance Islamic Bank as the Independent Adviser to provide its comments, opinions, information and recommendations on the Proposed SCR to the Board (save for the Interested Directors) and to the Entitled Shareholders. The IAL is set out in **Part B** of this Document.

On 20 September 2023, our Board (save for the Interested Directors) announced by way of press notice, that our Board (save for the Interested Directors) had deliberated on the contents of the SCR Offer Letter after taking into consideration the advice from the Independent Adviser and had resolved to table the Proposed SCR at the EGM to be convened. The recommendations from the Board (save for the Interested Directors) and the Independent Adviser on the Proposed SCR to the Entitled Shareholders are set out in Section 13 of **Part A** of this Document and **Part B** of this Document, respectively.

The SC had, vide its letters dated 18 October 2023, notified that it has no further comments on this Document. However, such notification shall not be taken to suggest that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of our Board (save for the Interested Directors) or that the SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

THE PURPOSE OF THIS DOCUMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION PERTAINING TO THE PROPOSED SCR, AND TO SEEK THE APPROVAL FOR THE PROPOSED SCR FROM THE ENTITLED SHAREHOLDERS VIA THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED HEREIN.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM. YOU SHOULD ALSO CONSIDER CAREFULLY THE RECOMMENDATION OF THE INDEPENDENT ADVISER AS SET OUT IN PART B OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SCR

2.1 Particulars of the Proposed SCR

The Proposed SCR involves NCB undertaking a selective capital reduction and a corresponding capital repayment pursuant to section 116 of the Act in respect of the NCB Shares held by the Entitled Shareholders on the Entitlement Date.

As at the LPD, the issued share capital of NCB is RM470,557,708 comprising 470,252,708 NCB Shares. The Non-Entitled Shareholder(s) hold(s) 466,293,554 NCB Shares, representing approximately 99.16% of the issued share capital of NCB.

As at the LPD, the Entitled Shareholders hold 3,959,154 NCB Shares, representing approximately 0.84% of the issued share capital of NCB.

Pursuant to the SCR Offer Letter, there are no PACs who hold NCB Shares.

The shareholdings of the Offeror and the Ultimate Offeror in NCB as at the LPD are as follows:

| | Direct | | Indirect | |
|-------------------------|-------------------|-------|-------------------|-------|
| | No. of NCB Shares | (1)% | No. of NCB Shares | (1)% |
| <u>Offeror</u> | | | | |
| MMC Port | 466,293,554 | 99.16 | - | - |
| <u>Ultimate Offeror</u> | | | | |
| MMC | - | - | (2)466,293,554 | 99.16 |

Notes:

(1) Based on 470,252,708 NCB Shares as at the LPD.

(2) Deemed interested by virtue of its interest in MMC Port pursuant to section 8 of the Act.

Our Company will implement the Proposed SCR pursuant to section 116 of the Act via the reduction of the share capital of NCB from RM470,557,708.00 comprising 470,252,708 NCB Shares to RM451,553,768.80 comprising 466,293,554 NCB Shares by way of cancelling a total of 3,959,154 NCB Shares held by the Entitled Shareholders which is in accordance with the SCR Offer Letter.

Pursuant to the Proposed SCR, the Entitled Shareholders will receive a total capital repayment of RM19,003,939.20 or equivalent to the SCR Offer Price for each existing NCB Share held by the Entitled Shareholders on the Entitlement Date. For the avoidance of doubt, the Non-Entitled Shareholder(s) will not be entitled to the repayment of capital pursuant to the Proposed SCR.

Upon the successful completion of the Proposed SCR, the share capital of NCB will be reduced by RM19,003,939.20 by way of cancellation of 3,959,154 NCB Shares held by the Entitled Shareholders. MMC Port will still hold the remaining 466,293,554 NCB Shares, amounting to the entire issued share capital of NCB, which are not cancelled pursuant to the Proposed SCR and in turn would result in NCB being a wholly-owned subsidiary of MMC Port.

The Non-Entitled Shareholder(s) have not acquired any NCB Shares at a price higher than the SCR Offer Price during the past three (3) months prior to 24 August 2023, being the date the SCR Offer Letter was served to our Board.

In compliance with paragraph 6.03 of the Rules, should the Offeror, the Ultimate Offeror or any of their PACs acquire any NCB Shares at a price higher than the SCR Offer Price during the period commencing from the date of the SCR Offer Letter until the completion of the Proposed SCR, the SCR Offer Price will be revised accordingly to the higher price paid by the Offeror, the Ultimate Offeror or any of their PACs.

As at the LPD, save for the SCR Offer Letter, our Company has not received any alternative offer for the securities of NCB or any offer to acquire our Company's assets and liabilities.

2.2 Basis of arriving at the SCR Offer Price

The SCR Offer Price of RM4.80, as set out in the SCR Offer Letter, for each NCB Share was arrived at after taking into consideration of the following:

- (i) the range of the indicative value of NCB Shares of between RM4.77 to RM4.85 as ascribed by Alliance Investment Bank Berhad, being the independent adviser appointed by MMC to provide comments, opinions, information and recommendation on the selective capital reduction and repayment exercise undertaken by MMC, in its Independent Advice Letter dated 8 September 2021;
- (ii) the mandatory take-over offer extended by MMC Port to acquire all the remaining 77,387,856 NCB Shares which were not already owned by MMC Port at RM4.40 per NCB Share, pursuant to the Notice of Unconditional Take-over Offer dated 25 November 2015;
- (iii) all of the Offeror's previous purchases of NCB Shares between January 2018 until February 2023 were transacted at RM4.40 per NCB Share. For information, no purchase of NCB Shares was made by the Offeror between March 2023 and the LPD;
- (iv) the price-to-earnings ratio of approximately 14.55 times based on the latest audited consolidated net profit of RM155.13 million of NCB for FYE 31 December 2022; and
- (v) the price-to-book ratio of approximately 1.76 times based on the latest audited consolidated net assets of RM1,284.86 million of NCB as at 31 December 2022.

2.3 Distribution

Should our Company declare, make and/or pay any further dividend and/or distribution of any nature whatsoever (collectively, "**Distribution**"), the entitlement date of such Distribution of which is on or after the date of the SCR Offer Letter up to the completion of the Proposed SCR which the Entitled Shareholders are entitled to, the SCR Offer Price shall be reduced by an amount equivalent to the net Distribution made per NCB Share.

As at the LPD, there has been no Distribution declared, made and/or paid by our Company on or after the date of the SCR Offer Letter.

2.4 Funding

The Proposed SCR will be funded by way of an advance from the Offeror to our Company.

The Offeror and our Board confirm that the Proposed SCR will not fail by reason of insufficient financial capability of the Offeror and our Company, and that every Entitled Shareholder will be fully paid in cash.

RHB Investment Bank, being the Principal Adviser for the Proposed SCR, is satisfied that the Offeror has sufficient financial resources to undertake the Proposed SCR and that the Proposed SCR will not fail by reason of insufficient financial capability of the Offeror and our Company, and that every Entitled Shareholder will be fully paid in cash.

2.5 Listing status

Our Company is currently an unlisted public entity. For information purposes, our Company was delisted from the Main Market of Bursa Securities on 17 February 2016 subsequent to a mandatory take-over offer by MMC Port to acquire all the remaining shares not already owned by MMC Port.

2.6 NCB's covenants pursuant to the SCR Offer Letter

From the date of our Board's (save for the Interested Directors) acceptance of the terms of the SCR Offer Letter until the completion of the Proposed SCR, our Company agrees with and undertakes to the Offeror the following:

- (i) our Company will not conduct any form of capital raising exercise, whether in the form of debt or equity, and will not grant any options over NCB Shares or issue any new NCB Shares;
- (ii) save for the purpose of financing and refinancing, our Group (other than subsidiaries which are in the process of winding up) will not enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business;
- (iii) our Company will not pass any resolution in a general meeting (other than in respect of the ordinary business tabled in an annual general meeting or in connection with the Proposed SCR) or make any alteration to the provisions of our Group's constitution unless it is in relation to the Proposed SCR; and
- (iv) our Company will not do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful obligation of our Group,

without the prior written consent of the Offeror.

In addition, our Company shall not enter into any discussion, negotiation or agreement with any other party with respect to the sale of our Group's assets and liabilities or any privatisation proposal involving our Group at any time until the completion of the Proposed SCR without the prior written consent of the Offeror.

Our Company shall also undertake that, as from the date of the SCR Offer Letter until the completion of the Proposed SCR, our Company (and using reasonable endeavours to cause and procure that each of our subsidiaries) shall carry on our business in the usual, regular and ordinary course in substantially the same manner as the same is carried on as at the date of the SCR Offer Letter so as to preserve our relationships with all parties to the extent that our goodwill and going concern shall not be materially impaired on the completion of the Proposed SCR, save as otherwise agreed in writing by the Offeror.

3. MODE AND TIMING OF SETTLEMENT

The settlement of the SCR Offer Price will be effected via electronic remittance to the eDividend Accounts of the Entitled Shareholders duly registered with Bursa Depository **within ten (10) days from the Effective Date**. For the Entitled Shareholders who do not maintain eDividend Accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered addresses last maintained with Bursa Depository at their own risk **within ten (10) days from the Effective Date**. For the avoidance of doubt, if the last date of payment falls on a public holiday, the payment shall be made on the next market day.

Except with the consent of the SC, which would only be granted in exceptional circumstances, settlement of the SCR Offer Price to which the Entitled Shareholders are entitled under the Proposed SCR will be implemented in full in accordance with the terms of the Proposed SCR without regard to any lien, right of set-off, counter claim or other analogous rights to which our Company may otherwise be, or claim to be, entitled against the Entitled Shareholders.

Non-resident Entitled Shareholders are advised that the settlement of the SCR Offer Price will be made in RM. Non-resident Entitled Shareholders who wish to convert the said 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.

4. RATIONALE FOR THE PROPOSED SCR

The Proposed SCR is proposed by the Offeror to be undertaken based on the following rationale:

(i) Greater flexibility

Upon the successful implementation of the Proposed SCR, the Offeror will be the sole shareholder of our Company and hence, the Proposed SCR will provide the Offeror with greater flexibility in the implementation of any business plans and/or operational changes of our Group which may otherwise require lengthy shareholders' and regulatory approvals under the Act or other applicable rules and regulations, moving forward. For information, as at the LPD, our Company has approximately 2,200 minority shareholders. The Proposed SCR will also facilitate the elimination of administrative efforts and costs as well as time pertaining to our Company's obligations to its shareholders, which can be utilised more efficiently in the core business of our Group and/or to facilitate the aforesaid business plans and/or operational changes in the future; and

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

The Proposed SCR will provide an opportunity for the Entitled Shareholders to realise their investments rather than continue to hold the unlisted NCB Shares.

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5. FUTURE PLANS FOR OUR GROUP AND OUR EMPLOYEES

Our Board (save for the Interested Directors) has taken note of the intentions of the Offeror and the Ultimate Offeror with respect to the future plans for our Group after the completion of the Proposed SCR, which are as follows:

(i) Continuation of our Group's businesses

The Offeror and the Ultimate Offeror intend to continue with the existing businesses and operations of our Group and do not have any immediate plan and/or intention to liquidate any company within our Group (other than the companies which have been identified by the management of our Company prior to the completion of the Proposed SCR and/or which are already in the process of liquidation / winding-up). However, the Offeror and the Ultimate Offeror may from time to time, undertake a review of the businesses and operations of our Group and make such arrangements, rationalisation and reorganisation as the Offeror and the Ultimate Offeror consider suitable and/or in the best interests of our Group;

(ii) Major changes to our Group's businesses

The Offeror and the Ultimate Offeror do not have any immediate plan and/or intention to introduce or effect any major change to the existing businesses of our Group, dispose of any major assets or undertake any major redeployment of the fixed assets of our Group upon completion of the Proposed SCR, except where such change, disposal and/or redeployment is necessary as part of the process to rationalise the business activities and/or direction of our Group or for purposes of internal group restructuring of the Offeror and/or the Ultimate Offeror or to improve the utilisation of resources, prospects and future growth of our Group; and

(iii) Employees

The Offeror and the Ultimate Offeror do not have any immediate plan to dismiss or make redundant any of the existing employees of our Group by way of a retrenchment exercise as a direct consequence of the Proposed SCR. However, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of rationalisation and/or streamlining of business activities to further improve productivity and efficiency of the operations of our Group.

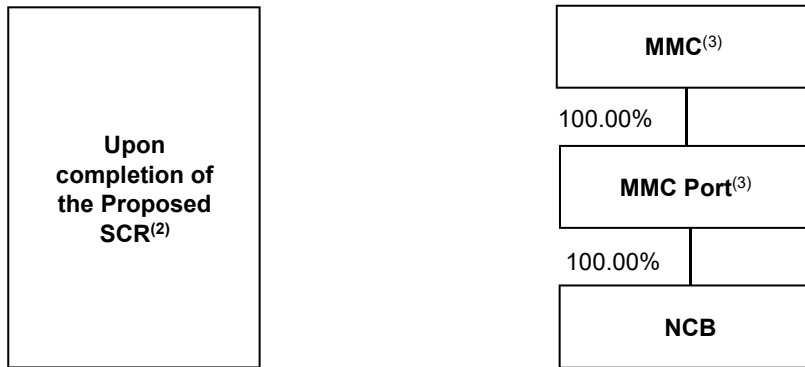
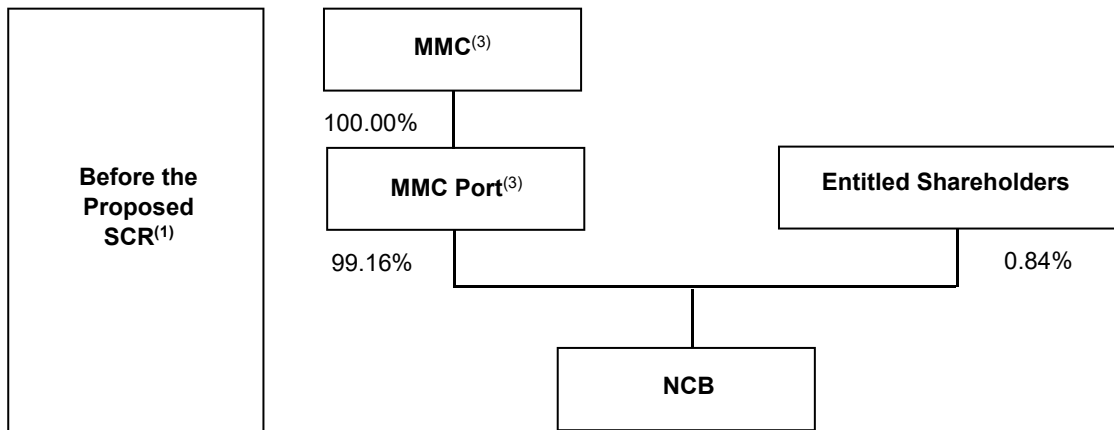
Notwithstanding the above, the Offeror and the Ultimate Offeror shall retain the flexibility to consider any options or explore any potential opportunities as they consider suitable and which are in the best interests of our Group that may present themselves. For the avoidance of doubt, such option or potential opportunities shall be in accordance with the future plans of the Offeror and the Ultimate Offeror as stated above.

Our Board (save for the Interested Directors) has also taken note that, as at the LPD, the Offeror and the Ultimate Offeror have no knowledge and have not entered into any negotiation, arrangement or understanding with any third party with regards to any significant change in our Group's business, assets or shareholding structure.

Our Board (save for the Interested Directors) is of the view that the rationale for the Proposed SCR as set out in Section 4 of **Part A** of this Document and the intentions of the Offeror and the Ultimate Offeror with respect to the future plans for our Group and our employees are in the best interest of our Company.

6. SHAREHOLDING STRUCTURE

The diagram below depicts the shareholding structure of NCB before and after the Proposed SCR:



Notes:

- (1) Based on 470,252,708 NCB Shares as at the LPD.
- (2) Based on 466,293,554 NCB Shares after the Proposed SCR.
- (3) Non-Entitled Shareholder.

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7. EFFECTS OF THE PROPOSED SCR

7.1 Issued share capital

The pro forma effects of the Proposed SCR on the issued share capital of our Company are as follows:

| | <u>No. of NCB Shares</u> | <u>RM</u> |
|--|---------------------------|------------------------------|
| Issued share capital as at the LPD | 470,252,708 | 470,557,708.00 |
| Less: NCB Shares to be cancelled pursuant to the Proposed SCR ⁽¹⁾ | (3,959,154) | (19,003,939.20) |
| Resultant share capital after the Proposed SCR | <u>466,293,554</u> | <u>451,553,768.80</u> |

Note:

- (1) *Based on the 3,959,154 NCB Shares held by the Entitled Shareholders as at the LPD, the total cash payment pursuant to the Proposed SCR is RM19,003,939.20, which represents a cash amount of RM4.80 per NCB Share.*

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7.2 Substantial shareholders' shareholdings

The pro forma effects of the Proposed SCR based on the shareholdings of the substantial shareholders of our Company are as follows:

| Name | As at the LPD | | | After the Proposed SCR | | |
|----------|-------------------|-------|-------------------|------------------------|-------------------|----------------|
| | Direct | | Indirect | Direct | | Indirect |
| | No. of NCB Shares | (1)% | No. of NCB Shares | (1)% | No. of NCB Shares | (2)% |
| MMC Port | 466,293,554 | 99.16 | - | - | 466,293,554 | 100.00 |
| MMC | - | - | (3)466,293,554 | 99.16 | - | (3)466,293,554 |
| STJSB | - | - | (4)466,293,554 | 99.16 | - | (4)466,293,554 |
| ICSB | - | - | (5)466,293,554 | 99.16 | - | (5)466,293,554 |
| TSSM | - | - | (6)466,293,554 | 99.16 | - | (6)466,293,554 |

Notes:

- (1) Based on 470,252,708 NCB Shares as at the LPD.
- (2) Based on 466,293,554 NCB Shares after the Proposed SCR.
- (3) Deemed interested by virtue of its interest in MMC Port pursuant to section 8 of the Act.
- (4) Deemed interested by virtue of its interest in MMC pursuant to section 8 of the Act.
- (5) Deemed interested by virtue of its interest in STJSB pursuant to section 8 of the Act.
- (6) Deemed interested by virtue of his interest in ICSB pursuant to section 8 of the Act.

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7.3 NA and gearing

The pro forma effects of the Proposed SCR on the consolidated NA and gearing of our Company based on the latest audited consolidated statement of financial position of our Company as at FYE 31 December 2022 and on the assumption that the Proposed SCR had been effected on that date are as follows:

| | Audited as at 31 December 2022 | After the Proposed SCR |
|----------------------------------|---|-----------------------------------|
| | (RM'000) | (RM'000) |
| Share capital | 470,558 | 451,554 |
| RCPS | 2,638 | 2,638 |
| Hedging reserves | (1,336) | (1,336) |
| Retained earnings | 813,004 | ⁽¹⁾ 811,674 |
| Total equity / NA | 1,284,864 | 1,264,530 |
| Number of ordinary shares ('000) | 470,253 | 466,294 |
| NA per share (RM) | 2.73 | 2.71 |
| Total borrowings (RM'000) | 359,866 | 359,866 |
| Gearing (times) ⁽²⁾ | 0.28 | 0.28 |

Notes:

(1) After the deduction of estimated expenses of approximately RM1.33 million for the Proposed SCR.

(2) Computed based on total borrowings divided by total equity.

7.4 Earnings and EPS

The Proposed SCR is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2023 other than the estimated expenses of RM1.33 million for the Proposed SCR that will reduce the earnings of our Group for the FYE 31 December 2023.

Upon completion of the Proposed SCR and as a result of the cancellation of up to 3,959,154 NCB Shares pursuant to the Proposed SCR, the total number of NCB Shares in issue will be reduced and as a result, the consolidated EPS is expected to increase accordingly.

For illustrative purposes only, the pro forma effect of the Proposed SCR on the consolidated EPS of our Company based on the latest audited consolidated statement of comprehensive income of our Company for the FYE 31 December 2022 and on the assumption that the Proposed SCR had been effected at the beginning of the said financial year are as follows:

| | Audited for the FYE 31 December 2022 | After the Proposed SCR |
|--------------------------------------|---|-----------------------------------|
| Consolidated net profit (RM'000) | 155,127 | ⁽¹⁾ 153,797 |
| Number of NCB Shares in issue ('000) | 470,253 | 466,294 |
| Net EPS (RM) | 0.33 | 0.33 |

Note:

(1) After taking into account the estimated expenses of approximately RM1.33 million for the Proposed SCR.

7.5 Convertible securities

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

8. CONDITIONS OF THE PROPOSED SCR

The Proposed SCR is subject to and conditional on the following being obtained:

- (i) the approval from the Entitled Shareholders via a Special Resolution to be tabled at the forthcoming EGM. The Special Resolution is required to be approved by:
 - (a) at least a majority in number of the Entitled Shareholders and 75.00% in value of all NCB Shares held by the Entitled Shareholders that are cast either in person or by a proxy at the forthcoming EGM; and
 - (b) the value of the votes cast against the Special Resolution at the forthcoming EGM is not more than 10.00% of the votes attaching to all NCB Shares held by the Entitled Shareholders of the total voting shares of NCB;
- (ii) granting of the Order giving effect to the Proposed SCR, followed by the Lodgment;
- (iii) approval and/or consent of the existing financiers and/or creditors of NCB and/or its subsidiaries, if required; and
- (iv) the approval, waiver and/or consent of any relevant authorities or parties, if required.

Upon the abovementioned conditions being fulfilled, the Proposed SCR shall be binding on the shareholders of our Company notwithstanding that there may have been Entitled Shareholders who voted against the Special Resolution. The Proposed SCR will become effective upon the Lodgment. It is contemplated that the payment of the SCR Offer Price to the Entitled Shareholders will be made as soon as practicable following the Lodgment and shall not be later than ten (10) days from the date of the Lodgment.

The Proposed SCR is not conditional upon any other corporate exercise of NCB.

9. OUTSTANDING PROPOSALS ANNOUNCED BY NCB BUT PENDING IMPLEMENTATION

Save for the Proposed SCR, there is no other proposal which our Company has announced by way of press notice but is pending completion as at the LPD.

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

10.1 Interested Directors

Save as disclosed below, none of the Directors of our Company and/or persons connected to them have any interest, direct or indirect, in the Proposed SCR:

- (i) Tan Sri Che Khalib bin Mohamad Noh, being a Director of NCB, is also a director of MMC Port and the Group Managing Director of MMC;
- (ii) Dato' Azman Shah bin Mohd Yusof, being a Director of NCB, is also the Executive Director by designation of MMC Port and the Chief Executive Officer of Northport (Malaysia) Bhd, a wholly-owned subsidiary of NCB;
- (iii) Badrulhisyam bin Fauzi, being a Director of NCB, is also a director of MMC Port and the Group Chief Financial Officer of MMC; and
- (iv) Asyraf Suhaimi bin Sulaiman, being a Director of NCB, is also the Head of Group Strategy & Investments of MMC.

The Interested Directors do not hold any NCB Shares, directly or indirectly.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings of NCB in respect of the Proposed SCR. Further, the Interested Directors will ensure that persons connected with them, if any, will also abstain from voting in respect of their direct and/or indirect shareholdings, if any, in NCB on the Special Resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

10.2 Interested Major Shareholders

The following Major Shareholders of our Company are deemed interested in the Proposed SCR:

- (i) MMC Port, being the Offeror, with a direct interest of 99.16% in our Company; and
- (ii) MMC, being the Ultimate Offeror, with an indirect interest of 99.16% in NCB held through MMC Port.

As such, MMC Port and MMC will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the Special Resolution to be tabled at the forthcoming EGM. MMC Port and MMC will also ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings, if any, in NCB on the Special Resolution to be tabled at the forthcoming EGM.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the fulfilment of the conditions of the Proposed SCR as set out in Section 8 of **Part A** of this Document, the Proposed SCR is expected to be completed by the first (1st) quarter of 2024.

The tentative timeline for the implementation of the Proposed SCR is as follows:

| Event | Tentative timeline⁽¹⁾ |
|--|---|
| Despatch of the Circular and the IAL to the shareholders of NCB | 24 October 2023 |
| EGM for the Proposed SCR | 15 November 2023 |
| Filing of application to the High Court for the Proposed SCR | Mid November 2023 |
| Expect High Court to grant the Order ⁽¹⁾ | Mid December 2023 |
| Announcement by way of press notice of the Entitlement Date for the capital repayment to the Entitled Shareholders | End December 2023 |
| Entitlement Date | Early January 2024 |
| Lodgment of an office copy of the Order with the Registrar of Companies | Early January 2024 |
| Cash payment to the Entitled Shareholders at the SCR Offer Price and completion of the Proposed SCR | Mid January 2024 |

Note:

- (1) *The timeline is indicative and the actual timing will depend on, among others, the directions and timeline given by the High Court in respect of the Order to confirm the Proposed SCR. If any of the events are delayed, the subsequent events will be adjusted accordingly.*

12. INDEPENDENT ADVISER

Our Board (save for the Interested Directors) had on 28 August 2023, in accordance with paragraph 3.06 of the Rules, appointed Alliance Islamic Bank as the Independent Adviser to provide comments, opinions, information and recommendation on the Proposed SCR to the Board (save for the Interested Directors) and the Entitled Shareholders.

Please refer to **Part B** of this Document for the IAL in relation to the Proposed SCR. The Entitled Shareholders are advised to read and carefully consider the contents of the IAL before voting on the Special Resolution to give effect to the Proposed SCR at the forthcoming EGM.

13. DIRECTORS' RECOMMENDATION

Our Board (save for the Interested Directors), having considered all aspects of the Proposed SCR, in particular:

- (i) the rationale for the Proposed SCR as set out in Section 4 of **Part A** of this Document;
- (ii) the advice of the Independent Adviser that the Proposed SCR is fair and reasonable; and
- (iii) the Independent Adviser's recommendation for the Entitled Shareholders to vote in favour of the Special Resolution,

is of the opinion that the Proposed SCR is in the best interest of the Entitled Shareholders.

Accordingly, our Board (save for the Interested Directors) concurs with the evaluation and recommendation of the Independent Adviser and recommends that you **VOTE IN FAVOUR** of the Special Resolution at the forthcoming EGM.

14. EGM

The notice convening the EGM is enclosed together with this Document. The EGM will be held at CBM Hall, Ground Floor, Northport Building C, Northport (Malaysia) Bhd, Jalan Pelabuhan, Pelabuhan Utara, 42000 Port Klang, Selangor Darul Ehsan, Malaysia on Wednesday, 15 November 2023 at 10.00 a.m., for the purpose of considering and, if thought fit, passing, with or without modification, the Special Resolution to give effect to the Proposed SCR.

In the event that you wish to appoint a proxy or proxies to attend, participate, speak and vote on your behalf at the forthcoming EGM, you need to complete, sign and return the enclosed Proxy Form in accordance with the instructions thereon as soon as possible so as to arrive at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or electronically via email at bsr.helpdesk@boardroomlimited.com or through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than twenty-four (24) hours before the date and time fixed for holding the EGM or at any adjournment thereon. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

15. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
NCB HOLDINGS BHD

Ahmad Aznan bin Mohd Nawawi
Independent Director

PART B

**INDEPENDENT ADVICE LETTER FROM ALLIANCE ISLAMIC BANK
TO THE BOARD AND THE ENTITLED SHAREHOLDERS OF NCB
IN RELATION TO THE PROPOSED SCR**

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions defined in the Definitions section of this Document, except where the context otherwise requires or where otherwise defined herein. All references to “we”, “us” or “our” in this IAL are references to Alliance Islamic Bank, being the Independent Adviser in relation to the Proposed SCR.

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF OUR EVALUATION OF THE PROPOSED SCR. WE ADVISE YOU TO READ CAREFULLY AND UNDERSTAND BOTH PART A: CIRCULAR TO SHAREHOLDERS OF NCB (AS WELL AS THE ACCOMPANYING APPENDICES FOR OTHER RELEVANT INFORMATION) AND THIS PART B: IAL FROM ALLIANCE ISLAMIC BANK IN ITS ENTIRETY IN RELATION TO THE PROPOSED SCR. YOU SHOULD NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING AN OPINION ON THE PROPOSED SCR.

YOU ARE ALSO ADVISED TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED IN THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

1. INTRODUCTION

On 24 August 2023, the Board announced by way of press notice that the Company had on even date received the SCR Offer Letter from the Offeror, requesting the Company to undertake the Proposed SCR. The Non-Entitled Shareholder(s) will hold the entire equity interest in the Company upon completion of the Proposed SCR.

On 28 August 2023, in accordance with paragraph 3.06 of the Rules, the Company had appointed Alliance Islamic Bank as the Independent Adviser to provide comments, opinions, information and recommendations on the Proposed SCR to the Board (save for the Interested Directors) and to the Entitled Shareholders.

Following thereto, in accordance with paragraph 3.07 of the Rules, Alliance Islamic Bank had vide its letter dated 28 August 2023, declared to the SC its independence from any conflict of interest or potential conflict of interest in its capacity as the Independent Adviser in relation to the Proposed SCR, followed by a revised declaration letter provided to the SC on 30 August 2023.

On 20 September 2023, the Board (save for the Interested Directors) announced by way of press notice that the Board (save for the Interested Directors) had deliberated on the contents of the SCR Offer Letter after taking into consideration the advice from the Independent Adviser and had resolved to table the Proposed SCR to the Entitled Shareholders at the EGM to be convened.

The SC had vide its letter dated 18 October 2023 notified that it has no further comments on the contents of this IAL. 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 IAL.

The purpose of this IAL is to provide you with our independent evaluation on the Proposed SCR together with our recommendation on whether the Entitled Shareholders should vote in favour or against the Special Resolution in relation to the Proposed SCR at the forthcoming EGM, subject to the scope of our role and limitations as specified herein.

EXECUTIVE SUMMARY (CONT'D)

2. EVALUATION OF THE PROPOSED SCR

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Proposed SCR in accordance with paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as two (2) distinct criteria i.e. whether the Proposed SCR is “fair” and whether the Proposed SCR is “reasonable”, rather than as a composite term;
- (ii) the Proposed SCR is considered as “**fair**” if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of NCB Shares.

However, the Proposed SCR is considered as “**not fair**” if the SCR Offer Price is equal to or higher than the market price but is lower than the value of NCB Shares.

In making the assessment, the value of NCB Shares is determined based on the assumption that 100% of the issued share capital of NCB is being acquired;

- (iii) in considering whether the Proposed SCR is “**reasonable**”, we have taken into consideration matters other than the valuation of NCB Shares.

Generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for the Entitled Shareholders to vote in favour of the Special Resolution despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution in the absence of a higher bid and such reasons should be clearly explained; and

- (iv) in the event the independent adviser concludes that the Proposed SCR 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 to this conclusion; and
 - (c) the course of action that the Entitled Shareholders are recommended to take pursuant to the conclusion.

2.1 FAIRNESS OF THE PROPOSED SCR

Based on our evaluation in Section 5 of this IAL, the SCR Offer Price is above the range of the estimated values per NCB Share of RM4.50 and RM4.69. The SCR Offer Price represents a **premium** ranging between RM0.11 to RM0.30 or approximately 2.35% to 6.67% over the estimated value per NCB Share ranging between RM4.50 and RM4.69 derived using the SOPV method (as defined herein in this IAL).

Hence, we are of the view that the Proposed SCR is **FAIR**.

Please refer to Section 5 of this IAL for further details.

EXECUTIVE SUMMARY (CONT'D)

2.2 REASONABLENESS OF THE PROPOSED SCR

Based on our analysis as set out in Section 6 of this IAL, we have taken into consideration the following factors:

- (i) the Proposed SCR provides another opportunity for the Entitled Shareholders to realise and monetise their investment in NCB after the previous unconditional take-over offer made by the Offeror on 25 November 2015. The Entitled Shareholders may not otherwise have the opportunity to realise and monetise their investment as there is no active market for the unlisted NCB Shares since NCB was delisted and withdrawn from the Main Market of Bursa Securities on 17 February 2016. It should also be noted that the SCR Offer Price represents a premium of RM0.40 or equivalent to 9.09% over the previous offer price of RM4.40 per NCB Share based on the Notice of Unconditional Take-over Offer dated 25 November 2015;
- (ii) as at the LPD, save for the SCR Offer Letter, we noted that the Board has not received any alternative offer for the securities of NCB or any other offer to acquire its assets and liabilities.

The Offeror is the largest shareholder of NCB and currently holds a controlling stake of 99.16% in NCB. Therefore, any alternative proposal will not be successful without its support; and

- (iii) with the current level of control, the Non-Entitled Shareholder(s) are able to influence the outcome of the resolutions sought at the shareholders' general meetings of NCB (save for the resolutions in which the Non-Entitled Shareholder(s) are interested and required to abstain from voting), including the ability to approve any ordinary resolutions or special resolutions (as these resolutions require approval from at least 50.00% and 75.00%, respectively, of the total votes cast).

Based on the above, we are of the view that the Proposed SCR is **REASONABLE**.

Please refer to Section 6 of this IAL for further details.

3. CONCLUSION AND RECOMMENDATION

Premised on the above and our evaluation of the Proposed SCR, we are of the view that the Proposed SCR is **FAIR** and **REASONABLE**.

Accordingly, we advise and recommend that the Entitled Shareholders to **VOTE IN FAVOUR** of the Special Resolution to be tabled at the forthcoming EGM and it is in the best interest of the Entitled Shareholders.



ALLIANCE ISLAMIC BANK

Alliance Islamic Bank Berhad 200701018870 (776882-V)

Date: 24 October 2023

To: The Board and Entitled Shareholders of NCB Holdings Bhd

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE BOARD AND THE ENTITLED SHAREHOLDERS IN RELATION TO THE PROPOSED SCR

*This IAL is prepared for inclusion in **Part B** of this Document and should be read in conjunction with **Part A** of this Document. All definitions used in this IAL shall have the same meanings as the words and expressions defined in the Definitions section of this Document, except where the context otherwise requires or where otherwise defined herein. All references to “we”, “us” or “our” in this IAL are references to Alliance Islamic Bank, being the Independent Adviser in relation to the Proposed SCR.*

1. INTRODUCTION

On 24 August 2023, the Board announced by way of press notice that the Company had on even date received the SCR Offer Letter from the Offeror, requesting the Company to undertake the Proposed SCR. The Non-Entitled Shareholder(s) will hold the entire equity interest in the Company upon completion of the Proposed SCR.

On 28 August 2023, in accordance with paragraph 3.06 of the Rules, the Company had appointed Alliance Islamic Bank as the Independent Adviser to provide comments, opinions, information and recommendations on the Proposed SCR to the Board (save for the Interested Directors) and to the Entitled Shareholders.

Following thereto, in accordance with paragraph 3.07 of the Rules, we had vide our letter dated 28 August 2023, declared to the SC our independence from any conflict of interest or potential conflict of interest in our capacity as the Independent Adviser in relation to the Proposed SCR, followed by a revised declaration letter provided to the SC on 30 August 2023.

On 20 September 2023, the Board (save for the Interested Directors) announced by way of press notice that the Board (save for the Interested Directors) had deliberated on the contents of the SCR Offer Letter after taking into consideration the advice from the Independent Adviser and had resolved to table the Proposed SCR to the Entitled Shareholders at the EGM to be convened.

The SC had, vide its letter dated 18 October 2023, notified that it has no further comments on the contents of this IAL. 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 IAL.

The purpose of this IAL is to provide you with our independent evaluation on the Proposed SCR together with our recommendation on whether the Entitled Shareholders should vote in favour or against the Special Resolution in relation to the Proposed SCR at the forthcoming EGM, subject to the scope of our role and limitations as specified herein.



Alliance Islamic Bank Berhad 200701018870 (776882-V)

19th Floor, Menara Multi-Purpose
Capital Square, 8 Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia
www.alliancebank.com.my

Customer Service 603.5516 9988

YOU ARE ADVISED TO CAREFULLY CONSIDER THE CONTENTS OF THIS DOCUMENT AS WELL AS THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION IN RESPECT OF THE PROPOSED SCR TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE PROPOSED SCR

We have evaluated the Proposed SCR and in rendering our advice, we have considered various factors which we believe are relevant and important in assessing the Proposed SCR and would be of general concern to the Entitled Shareholders.

Our scope as the Independent Adviser is limited to providing comments, opinions, information and recommendation on the Proposed SCR as to whether the Proposed SCR is fair and reasonable insofar as the Entitled Shareholders are concerned based on information and documents provided to us or which are available to us and making enquiries as were reasonable in the circumstances. In performing our evaluation, we have relied on the following sources of information:

- (i) information contained in **Part A** of this Document as well as the accompanying appendices;
- (ii) audited consolidated financial statements of NCB Group for the past three (3) FYEs from 31 December 2020 to 31 December 2022 and unaudited consolidated financial statements of NCB Group for the six (6)-month financial period ended 30 June 2023;
- (iii) valuation reports prepared by Knight Frank Malaysia Sdn Bhd ("**Knight Frank**") and CBRE WTW Valuation & Advisory Sdn Bhd ("**CBRE WTW**") (collectively referred to as the ("**Independent Valuers**")), on the properties as set out in Section 5 of this IAL;
- (iv) discussions with and representation by the Board and management of NCB Group;
- (v) other relevant information, documents, confirmations and representations furnished to us by the Board and management of NCB Group; and
- (vi) other publicly available information.

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

Our evaluation as set out in this IAL is rendered solely for the benefit of the Entitled Shareholders as a whole and not for any specific group of Entitled Shareholders. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, financial situations, risk profiles or particular needs of any individual Entitled Shareholder or any specific group of Entitled Shareholders. We recommend that any Entitled Shareholder who is in doubt as to the action to be taken or requires advice in relation to the Proposed SCR in the context of his individual investment objectives, financial situation, risk profile or particular needs should consult his 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 evaluation and opinion expressed in this IAL are, amongst others, based on prevailing economic, capital market, industry, regulatory, socio-political and other conditions (if applicable) and the information/documents available to us, as at the LPD. Such conditions may change significantly over a period of time.

We shall immediately disclose to the SC in writing and notify the Entitled Shareholders by way of an announcement via press notice before 9 a.m. on the next market day if, after despatching this IAL, as guided by subparagraph 11.07(1) of the Rules, we become aware that this IAL:

- (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 IAL to the Entitled Shareholders in accordance with subparagraph 11.07(2) of the Rules.

3. DETAILS OF THE PROPOSED SCR

The details of the Proposed SCR are as follows:

| Parameters | Details |
|--|--|
| <p>Consideration for the Proposed SCR :</p> | <p>The Proposed SCR involves a cash consideration of RM4.80 for each NCB Share held by the Entitled Shareholders on the Entitlement Date.</p> <p>Should NCB declare, make and/or pay any further Distribution which the Entitled Shareholders are entitled to and the entitlement date of such Distribution of which is on or after the date of the SCR Offer Letter up to the completion of the Proposed SCR, the SCR Offer Price shall be reduced by an amount equivalent to the net Distribution made per NCB Share.</p> <p>As at the LPD, there has been no Distribution declared, made and/or paid by NCB on or after the SCR Offer Letter.</p> |

| Parameters | Details |
|--|---|
| <p>Mode and timing of settlement</p> | <p>The settlement of the SCR Offer Price will be effected via electronic remittance to the eDividend Accounts of the Entitled Shareholders duly registered with Bursa Depository within ten (10) days from the Effective Date. For the Entitled Shareholders who do not maintain eDividend Accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered addresses last maintained with Bursa Depository at their own risk within ten (10) days from the Effective Date. For the avoidance of doubt, if the last date of payment falls on a public holiday, the payment shall be made on the next market day.</p> <p>Except with the consent of the SC, which would only be granted in exceptional circumstances, settlement of the SCR Offer Price to which the Entitled Shareholders are entitled under the Proposed SCR will be implemented in full in accordance with the terms of the Proposed SCR without regard to any lien, right of set-off, counter claim or other analogous rights to which NCB may otherwise be, or claim to be, entitled against the Entitled Shareholders.</p> <p>Non-resident Entitled Shareholders are advised that the settlement of the SCR Offer Price will be made in RM. Non-resident Entitled Shareholders who wish to convert the said 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.</p> |
| <p>Conditions of the Proposed SCR</p> | <p>The Proposed SCR is subject to and conditional on the following being obtained:</p> <ul style="list-style-type: none"> (i) the approval from the Entitled Shareholders via a Special Resolution to be tabled at the forthcoming EGM. The Special Resolution is required to be approved by: <ul style="list-style-type: none"> (a) at least a majority in number of the Entitled Shareholders and 75.00% in value of all NCB Shares held by the Entitled Shareholders that are cast either in person or by a proxy at the forthcoming EGM; and (b) the value of the votes cast against the Special Resolution at the forthcoming EGM is not more than 10.00% of the votes attaching to all NCB Shares held by the Entitled Shareholders of the total voting shares of NCB; |

| Parameters | Details |
|---|--|
| Conditions of the Proposed SCR (Cont'd) : | <p>(ii) granting of the Order giving effect to the Proposed SCR, followed by the Lodgment;</p> <p>(iii) approval and/or consent of the existing financiers and/or creditors of NCB and/or its subsidiaries, if required; and</p> <p>(iv) the approval, waiver and/or consent of any relevant authorities or parties, if required.</p> <p>Upon the abovementioned conditions being fulfilled, the Proposed SCR shall be binding on the shareholders notwithstanding that there may have been Entitled Shareholders who voted against the Special Resolution. The Proposed SCR will become effective upon the Lodgment. It is contemplated that the payment of the SCR Offer Price to the Entitled Shareholders will be made as soon as practicable following the Lodgment and shall not be later than ten (10) days from the date of the Lodgment.</p> <p>The Proposed SCR is not conditional upon any other corporate exercise of NCB.</p> |
| Irrevocable undertaking : | <p>As at the LPD, the Offeror, the Ultimate Offeror or their PACs have not received any irrevocable undertaking from any of the Entitled Shareholders to vote in favour of or against the Special Resolution to be tabled at the forthcoming EGM.</p> |
| Financial resources for the Proposed SCR : | <p>The Proposed SCR will be funded by way of an advance from the Offeror to the Company.</p> <p>The Offeror and the Board confirm that the Proposed SCR will not fail by reason of insufficient financial capability of the Offeror and the Company, and that every Entitled Shareholder will be fully paid in cash.</p> <p>RHB Investment Bank, being the Principal Adviser for the Proposed SCR, is satisfied that the Offeror has sufficient financial resources to undertake the Proposed SCR and that the Proposed SCR will not fail by reason of insufficient financial capability of the Offeror and the Company, and that every Entitled Shareholder will be fully paid in cash.</p> |

Please refer to **Part A** of this Document for further details of the Proposed SCR.

4. EVALUATION OF THE PROPOSED SCR

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Proposed SCR in accordance with paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as two (2) distinct criteria i.e. whether the Proposed SCR is “fair” and whether the Proposed SCR is “reasonable”, rather than as a composite term;
- (ii) the Proposed SCR is considered as “**fair**” if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of NCB Shares.

However, the Proposed SCR is considered as “**not fair**” if the SCR Offer Price is equal to or higher than the market price but is lower than the value of NCB Shares.

In making the assessment, the value of NCB Shares is determined based on the assumption that 100% of the issued share capital of NCB is being acquired;

- (iii) in considering whether the Proposed SCR is “**reasonable**”, we have taken into consideration matters other than the valuation of NCB Shares.

Generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for the Entitled Shareholders to vote in favour of the Special Resolution despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution in the absence of a higher bid and such reasons should be clearly explained; and

- (iv) in the event the independent adviser concludes that the Proposed SCR 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 to this conclusion; and
 - (c) the course of action that the Entitled Shareholders are recommended to take pursuant to the conclusion.

Please refer to the following sections for further details pertaining to the fairness and reasonableness of the Proposed SCR:

| Fairness of the Proposed SCR | | Details in this IAL |
|-------------------------------------|-------------------------|----------------------------|
| (i) | Valuation of NCB Shares | Section 5 |

| Reasonableness of the Proposed SCR | | Details in this IAL |
|---|---|----------------------------|
| (i) | An opportunity for the Entitled Shareholders to realise their investment in the unlisted NCB Shares | Section 6.1 |
| (ii) | No alternative offer and level of control | Section 6.2 |

5. FAIRNESS OF THE PROPOSED SCR

Valuation of NCB Shares

NCB Group is involved in the following business segments:

| Business segments | Description |
|--------------------------|---|
| Port operations | Port operations under Northport (Malaysia) Bhd (“ Northport ”) and its subsidiaries (“ Northport Group ”) include services rendered to ships, cargo and container handling, rental of port premises, provision of transportation services and other ancillary services. |
| Logistics operations | Logistics operations under Kontena Nasional Berhad (“ Kontena ”) and its subsidiaries and associate company (“ Kontena Group ”) include haulage of containers, warehousing and provision of freight forwarding services. |

In view of the different business segments of NCB Group, we have adopted the sum-of-parts valuation (“**SOPV**”) method as the most appropriate valuation methodology to arrive at the value of NCB Shares. The SOPV method represents the aggregate valuation of the different business segments based on the most appropriate valuation methodologies as set out below:

| Business segments | Valuation methodologies |
|--------------------------------------|--|
| Ports operations (Northport Group) | Discounted cash flow (“ DCF ”) |
| Logistics operations (Kontena Group) | Revalued net asset value (“ RNAV ”) |

5.1 Northport Group

Theoretically, under the DCF method, the valuation of a business is based on its future cash flows which is discounted to present value. We are of the view that this is the most appropriate valuation method to estimate the value of the Northport Group, as its port operations is concession in nature and the DCF method takes into consideration the future capabilities of the port operations in generating potential cash flows and earnings.

Under the DCF method, the projected free cash flow to equity (“**FCFE**”) to be generated from the Northport Group are discounted at an appropriate cost of equity to derive the present value of all future cash flows from the port operations attributable to its shareholders.

This valuation method also takes into consideration both the time value of money and the future cash flows to be generated by the port operations over a specified period of time. As the methodology entails the discounting of future cash flows to be generated from the port operations at a specified discount rate to arrive at the present value, the risk of generating such cash flows is also taken into consideration.

We have reviewed the future financial information of the port operations of Northport Group from FYE 31 December 2023 to FYE 31 December 2027 prepared by the management of the Northport Group, based on their judgement and estimations to reflect the strategies of the Northport Group for the next five (5) years (“**Future Financials**”). We have considered and evaluated the key bases and assumptions adopted in the Future Financials and we are satisfied that the key bases and assumptions used in the preparation of the Future Financials are reasonable given the prevailing circumstances and significant factors that are known as at the LPD.

The Future Financials, together with the bases and assumptions adopted therein, have been reviewed by the management and the Board, where applicable. The key bases and assumptions adopted in the preparation of the Future Financials are as follows:

- (i) the port operations of Northport Group are expected to continue their business operations until expiry of the concession period of Northport in year 2055, without any extension;
- (ii) there will not be any significant or material changes to the principal activities of the Northport Group;
- (iii) there will be capital expenditure to be incurred in the Future Financials to enhance the efficiency and productivity of the port operations as part of Northport Group's commitment in the concession agreement;
- (iv) there will be no significant or material changes to the agreements, contracts, approvals, licenses, permits and regulations governing the port operations;
- (v) there will be no major disruptions or interruptions to the port operations, whether due to acts of God, fire or other unforeseen circumstances, which may have a material adverse effect on the financial results, cash flows or business prospects of the port operations;
- (vi) there will be no significant or material increase in costs which is expected to have a material adverse effect on the financial results, cash flows or business prospects of the port operations;
- (vii) sufficient funds will be available to finance the working capital requirements and capital expenditure of the port operations without any material adverse effect on the financial results, cash flows or business prospects of the Northport Group;
- (viii) the current accounting policies adopted by the Northport Group in respect of the port operations will remain relevant and there will not be any significant changes in the accounting policies of the Northport Group which will have a material adverse effect on the financial performance and financial position of the Northport Group; and
- (ix) there will be no significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the ports and logistics industry in Malaysia and overseas which may have a material adverse effect on the financial performance and financial position of the Northport Group.

In deriving the value of the port operations, we have discounted the projected FCFE to be generated from Northport Group at an appropriate cost of equity to reflect the rate of return required by the shareholders of NCB. Our valuation, together with the key bases and assumptions adopted are as follows:

| No. | Parameters | Key assumptions/Explanatory statements |
|-----|------------|---|
| 1. | FCFE | <p>FCFE is the free cash flow from operations available to the investors of a company after taking into consideration the net operating cash flows, net investing cash flows and net financing cash flows. The FCFE is discounted at an appropriate cost of equity which represents the required rate of return by the investors.</p> <p>A steady state of projected free cash flow is assumed to be reached in the FYE 31 December 2028 ("Steady State Free Cash Flow 2028") and shall maintain at its steady state growth rate (refer to item 6 of this table) until the expiry of the concession period in year 2055.</p> |

| No. | Parameters | Key assumptions/Explanatory statements |
|-----|--|--|
| | | <p>The key assumptions that we have taken into consideration in deriving the Steady State Free Cash Flow 2028 are as follows:</p> <ul style="list-style-type: none"> (i) steady growth rate of container and conventional throughput in Northport Group given their long operating history and established operations; and (ii) capital expenditure commitment to be incurred from year 2028 to 2055 as required in the concession agreement. <p>As such, the Steady State Free Cash Flow 2028 is within the reasonable range of the historical cash flows from the FYE 31 December 2018 to FYE 31 December 2022, and is reflective of the projected five (5) years cash flows.</p> <p>We have reviewed the key assumptions adopted in the Future Financials in deriving the FCFE of Northport Group and are satisfied that they are reasonable given the prevailing circumstances and significant factors that are known as at the LPD. As such, we have relied upon the Future Financials prepared by the management of Northport Group.</p> |
| 2. | Cost of equity (“ Ke ”) | <p>Ke = 7.64%</p> <p>Cost of equity represents the rate of return required by an investor on the cash flow streams generated by the port operations given the risk associated with the cash flows.</p> <p>In arriving at the cost of equity, we have adopted the Capital Asset Pricing Model (“CAPM”) based on the following formula:</p> $Ke = Rf + \beta (Rm - Rf)$ <p>CAPM is one of the common model used to determine the rate of return required of an asset. It is used to estimate the cost of equity based on risk-free rate of return (refer to item 3 of this table), expected market rate of return (refer to item 4 table) and beta (refer to item 5 of this table).</p> |
| 3. | Risk-free rate of return (“ Rf ”) | <p>Rf = 4.09%</p> <p>The risk-free rate of return represents the expected rate of return from a risk-free investment. We have relied on the yield of the 10-year Malaysian Government Securities based on Bank Negara Malaysia as this represents the closest available approximation of the risk-free investment. As at the LPD, the yield as extracted from Bank Negara Malaysia’s website is 4.09% per annum.</p> |
| 4. | Expected market rate of return (“ Rm ”) | <p>Rm = 10.55%</p> <p>The expected market rate of return represents the expected rate of return of investing in a portfolio consisting of a weighted sum of assets representing the entire equity market.</p> <p>In our opinion, the expected market rate of return for FTSE Bursa Malaysia Top 100 Index is a good indicator of the equity market return in Malaysia. Based on the information extracted from Bloomberg, the expected market rate of return in Malaysia is 10.55% per annum for the past ten (10) years up to the LPD.</p> |

| No. | Parameters | Key assumptions/Explanatory statements | | | | | | | | | | | | |
|-------------------------------------|--|---|-------------------------------------|----------------------|--|---------------------------|---|------------|------------------------------|--|-----------|-------------------------------|--|---------|
| 5. | Beta ("β") | <p>Relevered $\beta = 0.55$</p> <p>Beta is the sensitivity of an asset's return to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A Beta of more than 1 signifies that the asset is riskier than the market and a Beta of lower than 1 signifies that the asset is less risky as compared to the market.</p> <p>In deriving the Beta for Northport Group, we have relied on the average unlevered Beta of the comparable companies listed on Bursa Securities. In arriving at the average unlevered Beta, we derived a simple average based on the 5-year weekly raw historical Beta of the comparable companies up to the LPD and unlevered the raw Beta for each comparable company based on their respective capital structure as extracted from Bloomberg. Subsequently, we re-levered them based on the capital structure of Northport Group.</p> <p>The list of comparable companies and their principal activities are as follows:</p> <table border="1" data-bbox="608 842 1402 1890"> <thead> <tr> <th data-bbox="608 842 802 965">Comparable companies⁽¹⁾</th> <th data-bbox="802 842 1163 965">Principal activities</th> <th data-bbox="1163 842 1402 965">Market capitalisation as at the LPD (RM'000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="608 965 802 1088">Westports Holdings Berhad</td> <td data-bbox="802 965 1163 1088">Port development and management of port operations.</td> <td data-bbox="1163 965 1402 1088">10,843,800</td> </tr> <tr> <td data-bbox="608 1088 802 1491">Bintulu Port Holdings Berhad</td> <td data-bbox="802 1088 1163 1491">Investment holding company and through its subsidiaries are engaged in the provision of port services which includes marine services (towage, pilotage, mooring), cargo handling and storage, stevedoring, supply base services and bunkering as well as provision of bulking installation services.</td> <td data-bbox="1163 1088 1402 1491">2,309,200</td> </tr> <tr> <td data-bbox="608 1491 802 1890">Suria Capital Holdings Berhad</td> <td data-bbox="802 1491 1163 1890">Investment holding and property development, whilst its subsidiaries are engaged in provision and maintenance of port services and facilities, and the regulation and control of the management of ports, ferry terminal operation, bunkering and related services, distribution of port cargo handling equipment and related spare parts.</td> <td data-bbox="1163 1491 1402 1890">553,313</td> </tr> </tbody> </table> <p><i>(Sources: Annual reports of respective comparable companies and Bloomberg)</i></p> | Comparable companies ⁽¹⁾ | Principal activities | Market capitalisation as at the LPD (RM'000) | Westports Holdings Berhad | Port development and management of port operations. | 10,843,800 | Bintulu Port Holdings Berhad | Investment holding company and through its subsidiaries are engaged in the provision of port services which includes marine services (towage, pilotage, mooring), cargo handling and storage, stevedoring, supply base services and bunkering as well as provision of bulking installation services. | 2,309,200 | Suria Capital Holdings Berhad | Investment holding and property development, whilst its subsidiaries are engaged in provision and maintenance of port services and facilities, and the regulation and control of the management of ports, ferry terminal operation, bunkering and related services, distribution of port cargo handling equipment and related spare parts. | 553,313 |
| Comparable companies ⁽¹⁾ | Principal activities | Market capitalisation as at the LPD (RM'000) | | | | | | | | | | | | |
| Westports Holdings Berhad | Port development and management of port operations. | 10,843,800 | | | | | | | | | | | | |
| Bintulu Port Holdings Berhad | Investment holding company and through its subsidiaries are engaged in the provision of port services which includes marine services (towage, pilotage, mooring), cargo handling and storage, stevedoring, supply base services and bunkering as well as provision of bulking installation services. | 2,309,200 | | | | | | | | | | | | |
| Suria Capital Holdings Berhad | Investment holding and property development, whilst its subsidiaries are engaged in provision and maintenance of port services and facilities, and the regulation and control of the management of ports, ferry terminal operation, bunkering and related services, distribution of port cargo handling equipment and related spare parts. | 553,313 | | | | | | | | | | | | |

| No. | Parameters | Key assumptions/Explanatory statements |
|-----|-------------------------------------|--|
| | | <p>Note:</p> <p>(1) <i>The comparable companies are involved in similar activities as the Northport Group with more than 85% of their latest audited consolidated revenue being generated from port business. Although the comparable companies are involved in similar activities as the Northport Group, they may not be directly comparable due to, amongst others, composition and geographical coverage of business activities, scale of operations, profit track record, financial strength, liquidity of shares, operating and financial leverage, asset base, accounting and taxation policies, risk profile, future prospects, management and capital structure. Nonetheless we view that the identified companies are reasonable to be adopted for the purpose of deriving the estimated Beta of Northport Group.</i></p> |
| 6. | Growth rate ("g") | <p>g = 1.0% - 1.5%</p> <p>The Steady State Free Cash Flow 2028 is assumed to be reached until the expiry of the concession period in year 2055 based on the growth rates ranging between 1.0% and 1.5%.</p> <p>In deriving the range of growth rates for Northport Group, we have taken into consideration the historical five (5) years simple average annual revenue growth rate of 0.4% from FYE 31 December 2018 to FYE 31 December 2022 (excluding outlier for FYE 31 December 2021)*. We have also taken into consideration the synergistic effects to the port operations following the completion of Northport Distripark warehouses as well as the capital expenditure to be incurred by the Company for the expansion of the yard to improve the containers' occupancy rate.</p> <p>We are of the view that the above growth rates ranging between 1.0% and 1.5% are reasonable after taking into consideration the following:</p> <p>(a) the five (5) year historical average inflation rate in Malaysia from 2018 to 2022 of 1.3% as extracted from World Bank Open Data; and</p> <p>(b) the projected gross domestic product (GDP) of between 4.0% and 5.0% in year 2023 as announced by Bank Negara Malaysia on 29 March 2023.</p> <p><i>(Source: Economic and Monetary Review 2022, Bank Negara Malaysia)</i></p> |
| 7. | Statutory corporate income tax rate | The latest statutory corporate income tax rate applicable to the port operations is 24%. |

Note:

* *The revenue of FYE 31 December 2021 was excluded when deriving the range of growth rate mainly due to the COVID-19 pandemic which had resulted in exceptional revenue for the FYE 31 December 2021.*

Based on the discounted projected FCFE of Northport Group, we then derived the estimated value of Northport Group's port operations in the following manner:

| | Low range (RM'000) | High range (RM'000) |
|--|--------------------------------|--------------------------------|
| Total present value of FCFE⁽¹⁾ | 1,421,049⁽²⁾ | 1,512,753⁽³⁾ |

Notes:

(1) *The present value of the Northport Group's port operations' FCFE is derived based on the following formula:*

$$\text{Total present value of FCFE} = \frac{\text{FCFE}}{(1 + Ke)^n}$$

Whereby, n represents number of years in the future.

(2) *The present value of the Northport Group's port operations' FCFE in low range is based on the growth rate of 1.0%.*

(3) *The present value of the Northport Group's port operations' FCFE in high range is based on the growth rate of 1.5%.*

The Entitled Shareholders should note that the valuation in itself is highly dependent on, amongst others, the achievability of Future Financials by Northport Group as well as materialisation of the bases and assumptions used therein. The Entitled Shareholders should also note that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions adopted.

5.2 Kontena Group

Kontena Group is principally involved in the haulage of containers, warehousing and provision of freight forwarding services. Due to the absence of an observable pattern in the financial performance of the Kontena Group over a material period of time and given the significantly large asset based of Kontena Group, we did not apply earnings-based valuation methodologies such as price-earnings multiple, enterprise value/earnings before interest, taxation, depreciation and amortisation (EV/EBITDA) multiple and discounted cash flow based approach as a basis to determine the fair value of the Kontena Group.

We have adopted the RNAV method as the most appropriate valuation method as Kontena Group has a significantly large asset base consisting of lands and buildings used primarily for its business operations, representing approximately 44.57% of the Kontena Group's unaudited total assets as at 30 June 2023. The remaining assets comprise amongst others, vehicle and cargo handling equipment, furniture, fixtures and equipment, trade and other receivables, cash and bank balances and investments in cash management trust, whose carrying amounts are reasonably expected to approximate their fair values. The RNAV method will take into consideration any surplus and/or deficit attributable to the owners of the company arising from the revaluation of assets to reflect their market values based on a willing buyer-willing seller basis in the open market.

In deriving the RNAV of Kontena Group, we have considered the valuation conducted by the Independent Valuers for all real properties under Kontena Group. These properties are mainly lands and buildings used for warehousing, office and container yard.

In applying the RNAV method, we have taken into consideration the following assumptions:

- (i) Kontena Group will continue to operate as a going concern and the realisation of the property values is expected to be undertaken in an orderly manner and not under a forced-sale or liquidation scenario on Kontena Group's business;
- (ii) there will not be any significant or material increase in costs which is expected to have a material adverse effect on Kontena Group;
- (iii) there will not be any significant or material changes to the agreements, contracts, approvals, licences, permits and regulations governing the assets of Kontena Group;
- (iv) the current accounting policies in respect of the assets adopted by the Kontena Group will remain relevant and there will not be any significant changes in the accounting policies of the Kontena Group which will have a material adverse effect on the financial performance and financial position of the Kontena Group; and
- (v) there will not be any material changes in the political, social and economic conditions, monetary and fiscal policies, inflation, regulatory requirements of the property industry in Malaysia and applicable tax regimes or tax rates.

We have relied upon the valuation conducted by the Independent Valuers on the lands and buildings held by Kontena Group for the purpose of computing the estimated RNAV of Kontena Group. In arriving at the opinion of the market value, the Independent Valuers have adopted the **comparison approach** and **cost approach** of valuation.

Comparison approach

The comparison approach entails comparing the subject properties with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect the value such as location and accessibility, market conditions, size, shape and terrain of land, tenure and restriction if any, availability of infrastructure, vacant possession and other relevant characteristics.

Cost approach

The cost approach of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, accessibility/visibility, shape/condition, land size, tenure, land use, zoning and other relevant characteristics.

The buildings are valued by reference to their depreciated replacement costs, i.e. the replacement cost less an appropriate adjustment for depreciation or obsolescence to reflect the existing condition of the buildings at the date of valuation. The land and building values are then summated to arrive at the market value of the subject property.

The valuation reports prepared by the Independent Valuers are in conformity of the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia. We are of the view that the valuation methodologies adopted are reasonable, appropriate and consistent with generally applied valuation methodologies. We have reviewed the key bases and assumptions adopted by the Independent Valuers and we are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the valuation conducted by the Independent Valuers as well as the reasonableness of the opinion of the market value expressed by the Independent Valuers on the lands and buildings held by Kontena Group and we have considered such market values for the purpose of computing the adjusted RNAV of Kontena Group.

The details of the net revaluation surplus of the lands and buildings held by Kontena Group are set out below:

| No. | Description of subject property | Independent Valuer | Valuation approach/ Valuation date | Market value (A) (RM'000) | Unaudited NBV as at 30 June 2023 (B) (RM'000) | Revaluation surplus/ (deficit) (C) = (A) – (B) (RM'000) | Deferred taxation ⁽¹⁾ (D) (RM'000) | Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM'000) |
|-----|--|--------------------|--|---------------------------------|---|--|---|--|
| 1. | <p>PT 577 & PT 578, Petaling Jaya, Selangor</p> <p>Two (2) contiguous parcels of industrial lands with potential for redevelopment into <i>perniagaan dan perkhidmatan</i> use identified as Lot(s) PT 577 ("PT 577") and PT 578 ("PT 578") held under Title No(s). HSD 202832 and HSD 202833, respectively. Both located within Bandar Sunway, District of Petaling, Selangor. Both PT 577 and PT 578 are located along Jalan Klang Lama, and bounded by the Federal Highway to their immediate north and Lebuhraya Damansara - Puchong (LDP) to the west. Geographically, the Kuala Lumpur city centre and Subang Jaya city centre are located approximately 14 kilometres and 8 kilometres due north-east and south-west of the lands, respectively.</p> <p>Title/ Lot No. : (i) PT 577: HSD 202832 / PT 577 (Lot 62260) (ii) PT 578: HSD 202833 / PT 578 (Lot 62261)</p> <p>Mukim : Bandar Sunway</p> <p>District : Petaling, Selangor</p> <p>Surveyed land area : (i) PT 577: 21,851 sq. m. (5.40 acres) (i) PT 578: 54,636 sq. m. (13.50 acres)</p> <p>Category of land use : Perusahaan</p> <p>Current land use : Warehouse, Office & Container Yard</p> <p>Registered proprietor : Kontena Nasional Berhad</p> | Knight Frank | Comparison approach/ 30 August 2023 Last valuation date: 19 July 2021 | 360,000 ⁽²⁾ | 52,450 | 307,550 | 30,755 | 276,795 |

| No. | Description of subject property | Independent Valuer | Valuation approach/ Valuation date | Market value (A) (RM'000) | Unaudited NBV as at 30 June 2023 (B) (RM'000) | Revaluation surplus/ (deficit) (C) = (A) – (B) (RM'000) | Deferred taxation ⁽¹⁾ (D) (RM'000) | Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM'000) |
|-----|--|--------------------|---|---------------------------------|---|--|---|--|
| 2. | <p>Tenure : Leasehold interest for a term of 99 years, expiring on 8 August 2103.</p> <p>Unexpired term lease : Unexpired term of approximately 80 years</p> <p>Date of acquisition : 9 August 2004</p> <p>Lot No. PT 1644, Lebuhraja Lumu, Kawasan Perindustrian Pandamaran, 42000 Port Klang, Selangor</p> <p>An industrial premise located in Kawasan Perindustrian Pandamaran, 42000 Port Klang, Selangor.</p> <p>Title/ Lot No. : HSM 9011/ Lot PT 1644</p> <p>Mukim : Klang</p> <p>District : Klang, Selangor</p> <p>Surveyed land area : 129,719.00 sq. m. (32.05 acres)</p> <p>Total gross floor area : 24,763.12 sq. m.</p> <p>Category of land use : Perusahaan/Perindustrian</p> <p>Current land use : Warehouse, Office & Container Yard</p> <p>Owner : Kontena Nasional Berhad</p> <p>Tenure : Leasehold 99 years expiring on 6 April 2079</p> <p>Unexpired term lease : Unexpired term of approximately 56 years</p> <p>Date of acquisition : 24 April 1984 (based on transfer date of title)</p> | CBRE WTW | <p>Cost approach/ 29 August 2023</p> <p>Last valuation date: 11 August 2021</p> | 100,000 | 32,426 | 67,574 | 6,757 | 60,817 |

| No. | Description of subject property | Independent Valuer | Valuation approach/ Valuation date | Market value (A) (RM'000) | Unaudited NBV as at 30 June 2023 (B) (RM'000) | Revaluation surplus/ (deficit) (C) = (A) – (B) (RM'000) | Deferred taxation ⁽¹⁾ (D) (RM'000) | Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM'000) |
|-----|--|--------------------|--|---------------------------------|---|--|---|--|
| 3. | <p>No. 12, Jalan Klebang 1/1, Zon Perdagangan Bebas Kinta, 31200 Chemor, Perak</p> <p>An industrial premise comprising a single-storey office building, a single-storey warehouse with annexed side building and other ancillary buildings. This is located in Zon Perdagangan Bebas Kinta, 31200 Chemor, Perak.</p> <p>Title/ Lot No. : Pajakan Negeri 378723 (Previously known as H.S.(D) KA 46801/ Lot 197092 (Previously known as PT 128695)</p> <p>Mukim: : Hulu Kinta</p> <p>District: : Kinta, Perak</p> <p>Surveyed land area : 31,384 sq. m. (7.76 acres)</p> <p>Gross floor area : 3,279.66 sq. m.</p> <p>Category of land use : Industry</p> <p>Current land use : Warehouse, Office & Container Yard⁽³⁾</p> <p>Registered Owner : Kontena Nasional Berhad</p> <p>Tenure : Leasehold 60 years expiring on 16 January 2056</p> <p>Unexpired term lease : Unexpired term of approximately 32 years</p> <p>Date of acquisition : 8 March 2001 (based on transfer date of title)</p> | CBRE WTW | Comparison approach/ 4 September 2023 Last valuation date: 12 August 2021 | 4,500 | 2,541 | 1,959 | 196 | 1,763 |

| No. | Description of subject property | Independent Valuer | Valuation approach/ Valuation date | Market value (A) (RM'000) | Unaudited NBV as at 30 June 2023 (B) (RM'000) | Revaluation surplus/ (deficit) (C) = (A) – (B) (RM'000) | Deferred taxation ⁽¹⁾ (D) (RM'000) | Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM'000) |
|-----|--|--------------------|--|---------------------------|---|---|---|---|
| 4. | <p>No. 2443, Lorong Perusahaan 1, Kawasan Perindustrian Perai, 13600 Perai, Seberang Perai, Penang</p> <p>An industrial complex located in Kawasan Perindustrian Perai, 13600 Perai, Seberang Perai, Penang.</p> <p>Title/ Lot No. : (i) HSD 38001/PT 68 (ii) HSD 44142/ PT 1345 (iii) HSD 42238/ PT 3667</p> <p>Mukim : 1</p> <p>District : Seberang Perai Tengah, Penang</p> <p>Surveyed land area : 81,755.36 sq. m. (20.20 acres)</p> <p>Gross floor area : 10,717.31 sq. m.</p> <p>Category of land use : Perusahaan/ Perindustrian</p> <p>Current land use : Warehouse, Office & Container Yard</p> <p>Registered Owner : Kontena Nasional Berhad</p> <p>Tenure (in the titles) : (i) Leasehold 60 years expiring on 6 March 2041 (ii) Leasehold 60 years expiring on 7 March 2042 (iii) Leasehold 60 years expiring on 9 September 2053</p> | CBRE WTW | Comparison approach/ 18 September 2023 Last valuation date: 9 August 2021 | 25,000 | 11,160 | 13,840 | 1,384 | 12,456 |

| No. | Description of subject property | Independent Valuer | Valuation approach/ Valuation date | Market value (A) (RM'000) | Unaudited NBV as at 30 June 2023 (B) (RM'000) | Revaluation surplus/ (deficit) (C) = (A) – (B) (RM'000) | Deferred taxation ⁽¹⁾ (D) (RM'000) | Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM'000) |
|-----|--|--------------------|--|---------------------------------|---|--|---|--|
| | <p>Unexpired term lease : (i) Unexpired term of approximately 17 years (ii) Unexpired term of approximately 18 years (iii) Unexpired term of approximately 30 years</p> <p>Date of acquisition : (i) 29 October 1994 (ii) 2 March 1983 (iii) 24 February 1995</p> | | | | | | | |
| 5. | <p>No. 4, Jalan Kukuh, Kawasan Perindustrian Tampoi, 81200 Johor Bahru, Johor</p> <p>An industrial premise comprises a single storey factory, a single storey office annex and other ancillary buildings located in Kawasan Perindustrian Tampoi, 81200 Johor Bahru, Johor.</p> <p>Title/ Lot No. : HSD 381922/ Lot 6010</p> <p>Town & District : Johor Bahru, Johor</p> <p>Surveyed land area : 130,680 sq. f. (3.00 acres)</p> <p>Gross floor area : 3,537.08 sq. m.</p> <p>Category of land use : Industry</p> <p>Current land use : Warehouse</p> <p>Registered Proprietor : Kontena Nasional Berhad</p> <p>Tenure : Leasehold 60 years expiring on 16 December 2028</p> <p>Unexpired term lease : Unexpired term of approximately 5 years</p> | CBRE WTW | Cost approach/ 15 September 2023 Last valuation date: 6 August 2021 | 1,900 | 2,004 | (104) | (10) | (94) |

| No. | Description of subject property | Independent Valuer | Valuation approach/ Valuation date | Market value (A) (RM'000) | Unaudited NBV as at 30 June 2023 (B) (RM'000) | Revaluation surplus/ (deficit) (C) = (A) – (B) (RM'000) | Deferred taxation ⁽¹⁾ (D) (RM'000) | Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM'000) |
|-----|---|--------------------|--|---------------------------|---|---|---|---|
| 6. | <p>Date of acquisition : 30 May 1981 (based on transfer date of title)</p> <p>Lot 126, 126B & 127 (Kontena), Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang</p> <p>An industrial premise located in Kuantan, Pahang.</p> <p>Title/ Lot No. : (i) Lot 126: PN 12855/ Lot 8919 (ii) Lot 126B: PN 12854/ Lot 8918 (iii) Lot 127: PN 12853/ Lot 8920</p> <p>Mukim : Sungai Karang District : Kuantan, Pahang Surveyed land area : (i) Lot 126: 75,430 sq. m. (18.64 acres) (ii) Lot 126B: 23,550 sq. m. (5.82 acres) (iii) Lot 127: 74,450 sq. m. (18.40 acres)</p> <p>Gross floor area : 12,896.01 sq. m.</p> <p>Category of land use : Perusahaan/Perindustrian</p> <p>Current land use : Warehouse, Office & Container Yard</p> <p>Registered owner : Kontena Nasional Berhad</p> <p>Tenure : Leasehold 66 years expiring on 28 December 2063</p> <p>Unexpired term lease : Unexpired term of approximately 40 years</p> <p>Date of acquisition : 29 December 1997</p> | CBRE WTW | Cost approach/ 5 September 2023 Last valuation date: 11 August 2021 | 30,000 | 16,826 | 13,174 | 1,317 | 11,857 |

| No. | Description of subject property | Independent Valuer | Valuation approach/ Valuation date | Market value (A) (RM'000) | Unaudited NBV as at 30 June 2023 (B) (RM'000) | Revaluation surplus/ (deficit) (C) = (A) – (B) (RM'000) | Deferred taxation ⁽¹⁾ (D) (RM'000) | Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM'000) |
|-----|--|--------------------|--|---------------------------------|---|--|---|--|
| 7. | <p>PLO 282, Jalan Suasa, Kawasan Perindustrian Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor</p> <p>A parcel of medium industrial land located in Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor.</p> <p>Title/ Lot No. : PN 6655/ Lot 51612</p> <p>Mukim : Plentong</p> <p>District : Johor Bahru, Johor</p> <p>Land area : 57,986 sq. m. (14.33 acres)</p> <p>Category of land use : Industry</p> <p>Current land use : Container Yard</p> <p>Owner : Kontena Nasional Berhad</p> <p>Tenure : Leasehold 60 years expiring on 26 April 2046</p> <p>Unexpired term lease : Unexpired term of approximately 22 years</p> <p>Date of acquisition : 27 April 1986</p> | CBRE WTW | Comparison approach/ 18 September 2023 Last valuation date: 6 August 2021 | 17,500 | 6,274 | 11,226 | 1,124 | 10,102 |

| No. | Description of subject property | Independent Valuer | Valuation approach/ Valuation date | Market value (A) (RM'000) | Unaudited NBV as at 30 June 2023 (B) (RM'000) | Revaluation surplus/ (deficit) (C) = (A) – (B) (RM'000) | Deferred taxation ⁽¹⁾ (D) (RM'000) | Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM'000) |
|-----|---|--------------------|--|---------------------------|---|---|---|---|
| 8. | <p>Lot 116654 (formerly Lot 37465) and Lot PT 223, Mukim Kapar, Klang, Selangor</p> <p>Two (2) contiguous parcels of development land zoned for industrial use identified as Lot 116654 ("Lot 116654") held under Title No. Geran 342439 (formerly Lot 37465 held under Title No. Geran 43498) and Lot PT 223 ("PT 223") held under Title No. HD 13093, both located within Mukim Kapar, District of Klang, Selangor. Both lands are located in the locality of Kawasan Perindustrian Bukit Raja which is broadly bordered by West Coast Expressway (WCE) and Lebuhraya Shapadu to the west and New Klang Valley Expressway (NKVE) to the south-east. Geographically, the Kuala Lumpur city centre and Klang town centre are located about 30 kilometres due north-east and 4 kilometres due south of the lands respectively.</p> <p>Mukim : Kapar District : Klang, Selangor Title/ Lot No. : (i) Lot 116654: Geran 342439/ Lot 116654 (ii) PT 223: HSD 13093/ Lot PT 223 Net land area : (i) Lot 116654: 123,500 sq. m. (30.52 acres) (ii) PT 223: 52,483 sq. m. (12.97 acres) Category of land use : (i) Lot 116654: Nil (ii) PT 223: Pertanian Current land use : Vacant land Owner : Kontena Nasional Berhad Tenure : Interest in perpetuity.</p> | Knight Frank | Comparison approach/ 29 August 2023 Last valuation date: 19 July 2021 | 146,500 | 17,721 | 128,779 | 12,878 | 115,901 |

| No. | Description of subject property | Independent Valuer | Valuation approach/ Valuation date | Market value (A) (RM'000) | Unaudited NBV as at 30 June 2023 (B) (RM'000) | Revaluation surplus/ (deficit) (C) = (A) – (B) (RM'000) | Deferred taxation ⁽¹⁾ (D) (RM'000) | Net revaluation surplus/ (deficit) (E) = (C) – (D) (RM'000) |
|--------------|---|--------------------|--|---------------------------------|---|--|---|--|
| 9. | <p>Date of acquisition : (i) 8 June 2000 (ii) 14 February 1980</p> <p>PLO 249, Jalan Tembaga 1, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor</p> <p>An industrial premise comprising a single storey administration building, a prime mover repair workshop, a trailer repair workshop, a single storey site office, an open shed and other ancillary buildings located in Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor.</p> <p>Title/ Lot No. : PN 6651/ Lot 51605 Mukim : Plentong District : Johor Bahru, Johor Surveyed land area : 140,866 sq. m. (34.81 acres) Gross floor area : 3,155.70 sq. m. Category of land use : Industry Current land use : Office and workshop Owner : Kontena Nasional Berhad Tenure : Leasehold 60 years expiring on 6 January 2045 Unexpired term lease : Unexpired term of approximately 21 years Date of acquisition : 9 June 1998</p> | CBRE WTW | Cost approach/ 18 September 2023 Last valuation date: 6 August 2021 | 31,500 | 21,160 | 10,340 | 1,034 | 9,306 |
| TOTAL | | | | 716,900 | 162,562 | 554,338 | 55,435 | 498,903 |

Notes:

- (1) Based on Real Property Gain Tax in Malaysia of 10%.
- (2) For the purpose of the valuation, the Independent Valuer has excluded the values of the buildings/structures constructed on the subject property and valued the subject property as two (2) contiguous parcels of redevelopment land designated for commercial development (wherein demolition cost of the existing structures has been accounted for).
- (3) Part of the land was leased to Tenaga Nasional Berhad for a period of 30 years commencing from 15 December 1996 and expiring on 14 December 2026.

Based on the RNAV method, the estimated value of Kontena Group is as follows:

| | (RM'000) |
|---|------------------------|
| Unaudited NA of Kontena Group as at 30 June 2023 | 220,693 ⁽¹⁾ |
| Add: Net revaluation surplus from lands and buildings | 498,903 |
| Estimated RNAV of Kontena Group | 719,596 |

Note:

- (1) The companies in the Kontena Group are valued based on their respective NA.

5.3 SOPV of NCB Shares

Based on the SOPV method, the estimated value of the NCB Group is as follows:

| Business segment | Valuation methodologies | Low range (RM'000) | High range (RM'000) |
|---|-------------------------|--------------------|---------------------|
| Ports operations (Northport Group) | DCF | 1,421,049 | 1,512,753 |
| Logistics operations (Kontena Group) | RNAV | 719,596 | 719,596 |
| Total Value | | 2,140,645 | 2,232,349 |
| Less: | | | |
| Net debt of NCB (at company level) as at 30 June 2023 | | (24,567) | (24,567) |
| Value of NCB Group | | 2,116,078 | 2,207,782 |
| Number of issued shares as at the LPD ('000) | | 470,253 | 470,253 |
| Estimated value per NCB Share (RM) | | 4.50 | 4.69 |

Based on the above, the SCR Offer Price is above the range of the estimated values per NCB Share of RM4.50 and RM4.69.

Our view on the fairness of the Proposed SCR

Based on our evaluation in Section 5 of this IAL, the SCR Offer Price represents a **premium** ranging between RM0.11 to RM0.30 or approximately 2.35% to 6.67% over the estimated value per NCB Share ranging between RM4.50 and RM4.69 derived using the SOPV method. As the SCR Offer Price is above the range of estimated values per NCB Share of RM4.50 and RM4.69, we are of the view that the Proposed SCR is **FAIR**.

The computation of the estimated value based on SOPV method of the NCB Group is based on the prevailing economic outlook, market sentiment and other conditions as well as publicly available information and information provided by the NCB Group up to the LPD. Events or circumstances occurring subsequent to the LPD may significantly change the bases and assumptions used which may then materially affect the valuation of the NCB Group, whether favourably or adversely.

In addition, there is no assurance that the real properties of the NCB Group can be realised at their estimated market values due to various factors such as the existence of ready and committed buyer(s) who is willing to pay the market value of each property as well as the payment of incidental costs related to such sale transactions.

The Entitled Shareholders are advised to read the ensuing sections of this IAL for a comprehensive evaluation of the Proposed SCR and not to rely on the valuation of NCB Shares derived based on the SOPV method as the sole criteria when assessing the Proposed SCR.

6. REASONABLENESS OF THE PROPOSED SCR

6.1 An opportunity for the Entitled Shareholders to realise their investment in the unlisted NCB Shares

The Proposed SCR provides another opportunity for the Entitled Shareholders to realise and monetise their investment in NCB Shares after the previous unconditional take-over offer made by the Offeror on 25 November 2015. The Entitled Shareholders may not otherwise have the opportunity to realise and monetise their investment as there is no active market for the unlisted NCB Shares since NCB was delisted and withdrawn from the Main Market of Bursa Securities on 17 February 2016. It should also be noted that the SCR Offer Price represents a premium of RM0.40 or equivalent to 9.09% over the previous offer price of RM4.40 per NCB Share based on the Notice of Unconditional Take-over Offer dated 25 November 2015.

6.2 No alternative offer

As at the LPD, save for the SCR Offer Letter, we noted that the Board has not received any alternative offer for the securities of NCB or any other offer to acquire its assets and liabilities.

The Offeror is the largest shareholder of NCB and currently holds a controlling stake of 99.16% in NCB. Therefore, any alternative proposal will not be successful without its support.

6.3 Level of control

With the current level of control, the Non-Entitled Shareholder(s) are able to influence the outcome of the resolutions sought at the shareholders' general meetings of NCB (save for the resolutions in which the Non-Entitled Shareholder(s) are interested and required to abstain from voting), including the ability to approve any ordinary resolutions or special resolutions (as these resolutions require approval from at least 50.00% and 75.00% respectively of the total votes cast).

Our view on the reasonableness of the Proposed SCR

Based on our analysis as set out in Section 6 of this IAL, we are of the view that the Proposed SCR is **REASONABLE**.

7. FUTURE PLANS FOR THE NCB GROUP AND ITS EMPLOYEES

The intentions of the Offeror and the Ultimate Offeror in relation to the future plans for NCB Group after the completion of the Proposed SCR as set out in Section 5 of **Part A** of this Document are as follows:

(i) Continuation of the Group's businesses

The Offeror and the Ultimate Offeror intend to continue with the existing businesses and operations of the Group and do not have any immediate plan and/or intention to liquidate any company within the Group (other than the companies which have been identified by the management of the Company prior to the completion of the Proposed SCR and/or which are already in the process of liquidation/winding-up). However, the Offeror and the Ultimate Offeror may from time to time, undertake a review of the businesses and operations of the Group and make such arrangements, rationalisation and reorganisation as the Offeror and the Ultimate Offeror consider suitable and/or in the best interests of the Group;

(ii) Major changes to our Group's businesses

The Offeror and the Ultimate Offeror do not have any immediate plan and/or intention to introduce or effect any major change to the existing businesses of the Group, dispose of any major assets or undertake any major redeployment of the fixed assets of the Group upon completion of the Proposed SCR, except where such change, disposal and/or redeployment is necessary as part of the process to rationalise the business activities and/or direction of the Group or for purposes of internal group restructuring of the Offeror and/or the Ultimate Offeror or to improve the utilisation of resources, prospects and future growth of the Group; and

(iii) Employees

The Offeror and the Ultimate Offeror do not have any immediate plan to dismiss or make redundant any of the existing employees of the Group by way of a retrenchment exercise as a direct consequence of the Proposed SCR. However, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of rationalisation and/or streamlining of business activities to further improve productivity and efficiency of the operations of the Group.

Notwithstanding the above, the Offeror and the Ultimate Offeror shall retain the flexibility to consider any options or explore any potential opportunities as they consider suitable and which are in the best interests of the Group that may present themselves. For the avoidance of doubt, such option or potential opportunities shall be in accordance with the future plans of the Offeror and the Ultimate Offeror as stated above.

The Board (save for the Interested Directors) has also taken note that, as at the LPD, the Offeror and the Ultimate Offeror have no knowledge and have not entered into any negotiation, arrangement or understanding with any third party with regards to any significant change in the Group's business, assets or shareholding structure.

The Board (save for the Interested Directors) is of the view that the rationale for the Proposed SCR as set out in Section 4 of **Part A** of this Document and the intentions of the Offeror and the Ultimate Offeror with respect to the future plans for the Group and the employees are in the best interest of the Company.

Our comments on the future plans for NCB Group and its employees

Premised on the above, we are of the view that the business and management of NCB Group will remain the same in all material aspects and that the NCB Group is expected to continue as a going concern given the intention of the Offeror and Ultimate Offeror to continue with NCB Group's existing business and operations and there is no immediate plan and/or intention to dispose of any major assets of NCB Group or to liquidate any company in NCB Group, except where such change, disposal and/or redeployment is necessary as part of the process to rationalise the business activities and/or direction of the Group or for purposes of internal group restructuring of the Offeror and/or the Ultimate Offeror or to improve the utilisation of resources, prospects and future growth of the Group.

In addition, we further note that the Offeror and the Ultimate Offeror have not entered into any negotiation, arrangement or understanding with any third party with regards to any significant change in the NCB Group's business, assets or shareholding structure as at the LPD.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The interests of Directors and major shareholders of NCB and/or persons connected with them (together with their course of actions in relation to the Proposed SCR) are set out in Section 10 of **Part A** of this Document.

9. DIRECTORS' INTERESTS AND INTENTION TO VOTE

None of the Directors of NCB have any interest, whether direct or indirect, in NCB Shares as at the LPD.

However, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings of NCB in respect of the Proposed SCR and will also abstain from voting in respect of their direct and/or indirect shareholdings, if any, in NCB on the Special Resolution to be tabled at the forthcoming EGM. The Interested Directors have undertaken that they will ensure persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings, if any, in NCB on the Special Resolution to be tabled at the forthcoming EGM.

10. FURTHER INFORMATION

The Entitled Shareholders are advised to refer to the views and recommendation of the Board (save for the Interested Directors) as set out in **Part A** of this Document as well as the accompanying appendices and other relevant information as contained in this Document for further details in relation to the Proposed SCR.

11. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed and evaluated the fairness and reasonableness of the Proposed SCR in accordance with paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby the term "**fair and reasonable**" should generally be analysed as two (2) distinct criteria i.e. whether the Proposed SCR is "fair" and whether the Proposed SCR is "reasonable", rather than as a composite term.

The Proposed SCR is considered as "**fair**" if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of NCB Shares. However, the Proposed SCR is considered as "**not fair**" if the SCR Offer Price is equal to or higher than the market price but is lower than the value of NCB Shares.

In considering whether the Proposed SCR is “**reasonable**”, we have taken into consideration matters other than the valuation of NCB Shares.

Generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Nevertheless, an independent adviser may also recommend for the Entitled Shareholders to vote in favour of the Special Resolution despite it being “not fair”, if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution in the absence of a higher bid and such reasons should be clearly explained.

We have assessed and evaluated the fairness and reasonableness of the Proposed SCR based on all relevant and pertinent factors as set out in Sections 5 and 6 of this IAL.

In arriving at our opinion, we have considered the following pertinent factors which you should carefully consider before voting on the Special Resolution to be tabled at the forthcoming EGM:

Fairness of the Proposed SCR

Based on our evaluation in Section 5 of this IAL, the SCR Offer Price is above the range of the estimated values per NCB Share of RM4.50 and RM4.69. The SCR Offer Price represents a **premium** ranging between RM0.11 to RM0.30 or approximately 2.35% to 6.67% over the estimated value per NCB Share ranging between RM4.50 and RM4.69 derived using the SOPV method.

Hence, we are of the view that the Proposed SCR is **FAIR**.

Reasonableness of the Proposed SCR

Based on our analysis as set out in Section 6 of this IAL, we have taken into consideration the following factors:

- (i) the Proposed SCR provides another opportunity for the Entitled Shareholders to realise and monetise their investment in NCB Shares after the previous unconditional take-over offer made by the Offeror on 25 November 2015. The Entitled Shareholders may not otherwise have the opportunity to realise and monetise their investment as there is no active market for the unlisted NCB Shares since NCB was delisted and withdrawn from the Main Market of Bursa Securities on 17 February 2016. It should also be noted that the SCR Offer Price represents a premium of RM0.40 or equivalent to 9.09% over the offer price of RM4.40 per NCB Share based on the previous offer in year 2015;
- (ii) as at the LPD, save for the SCR Offer Letter, we noted that the Board has not received any alternative offer for the securities of NCB or any other offer to acquire its assets and liabilities.

The Offeror is the largest shareholder of NCB and currently holds a controlling stake of 99.16% in NCB. Therefore, any alternative proposal will not be successful without its support; and

- (iii) with the current level of control, the Non-Entitled Shareholder(s) are able to influence the outcome of the resolutions sought at the shareholders’ general meetings of NCB (save for the resolutions in which the Non-Entitled Shareholder(s) are interested and required to abstain from voting), including the ability to approve any ordinary resolutions or special resolutions (as these resolutions require approval from at least 50.00% and 75.00% respectively of the total votes cast).

Based on the above, we are of the view that the Proposed SCR is **REASONABLE**.

Premised on the above and our evaluation of the Proposed SCR, we are of the view that the Proposed SCR is **FAIR** and **REASONABLE**. Accordingly, we advise and recommend that the Entitled Shareholders to **VOTE IN FAVOUR** of the Special Resolution to be tabled at the forthcoming EGM and it is in the best interest of the Entitled Shareholders.

The advice of Alliance Islamic Bank as contained in this IAL is addressed to the Entitled Shareholders at large and not to any particular Entitled Shareholder. 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 Entitled Shareholder or any specific group of Entitled Shareholders. We recommend that any Entitled Shareholder who may require advice in relation to the Proposed SCR in the context of his individual investment objectives, financial situation, risk profile and particular needs should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Yours faithfully
For and on behalf of
ALLIANCE ISLAMIC BANK BERHAD

TEE KOK WAH
Head/ Senior Vice President
Corporate Finance – Islamic Capital Markets

RAIHANA SOUKET
Vice President
Corporate Finance – Islamic Capital Markets

ATTACHMENT I – FURTHER INFORMATION

1. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES**1.1 By NCB****1.1.1 Disclosure of interests in the Offeror and Ultimate Offeror**

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

1.1.2 Dealings in the voting shares and convertible securities of the Offeror and Ultimate Offeror

NCB has not dealt, whether directly or indirectly, in any voting shares and/or convertible securities of the Offeror and Ultimate Offeror during the period commencing six (6) months prior to the date of the SCR Offer Letter and up to the LPD.

1.1.3 Dealings in NCB Shares

NCB has not dealt, whether directly or indirectly, in any of its own voting shares during the period commencing six (6) months prior to the date of the SCR Offer Letter and up to the LPD.

1.2 By the Directors of NCB**1.2.1 Disclosure of interests in the Offeror and Ultimate Offeror**

None of the Directors of NCB have any interest, whether direct or indirect, in any voting shares and/or convertible securities in the Offeror and Ultimate Offeror as at the LPD.

1.2.2 Dealings in the voting shares or convertible securities of the Offeror and Ultimate Offeror

None of the Directors of NCB have dealt, whether directly or indirectly, in any voting shares and/or convertible securities of the Offeror and Ultimate Offeror during the period commencing six (6) months prior to the date of the SCR Offer Letter and up to the LPD.

1.2.3 Disclosure of interests in NCB

None of the Directors of NCB have any interest, whether directly or indirectly, in any voting shares and/or convertible securities of NCB as at the LPD.

1.2.4 Dealings in the securities of NCB

The Directors of NCB have not dealt, whether directly or indirectly, in any voting shares and/or convertible securities of NCB during the period commencing six (6) months prior to the date of the SCR Offer Letter and up to the LPD.

1.3 By the persons with whom NCB or any persons acting in concert with it has any arrangement over NCB Shares

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

ATTACHMENT I – FURTHER INFORMATION (CONT'D)

1.4 By the persons with whom NCB or any persons acting in concert with it has borrowed or lent

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

1.5 By Alliance Islamic Bank

1.5.1 Disclosure of interests in NCB

Alliance Islamic Bank does not have any interest, whether directly or indirectly, in any voting shares and/or convertible securities of NCB as at the LPD.

1.5.2 Dealings in the securities of NCB

Alliance Islamic Bank has not dealt, whether directly or indirectly, in any of the voting shares and/or convertible securities of NCB during the period commencing six (6) months prior to 24 August 2023, being the date of the SCR Offer Letter and up to the LPD.

2. SERVICE CONTRACTS

As at the LPD, the NCB Group does not have any service contracts with any Director of NCB or proposed Directors of NCB, which have been entered into or amended within six (6) months prior to 24 August 2023, being the date of the SCR Offer Letter or which are fixed term contracts with more than twelve (12) months to run.

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

On 15 August 2023, the Board had resolved to appoint Ahmad Aznan bin Mohd Nawawi as the Independent Director of NCB.

3. ARRANGEMENT AFFECTING DIRECTORS

3.1 As at the LPD, there is no agreement, arrangement or understanding for any payment or other benefit which will be made or given to any of the Directors of the Company as compensation for loss of office or otherwise in connection with the Proposed SCR.

3.2 As at the LPD, save as disclosed in Section 10 of **Part A** of this Document, there is no agreement, arrangement or understanding that exists between the Offeror, the Ultimate Offeror or their PACs and any of the Directors or recent Directors of the Company (being a person who was, during the period of six (6) months prior to 24 August 2023, being the date of the SCR Offer Letter, a Director of the Company), holders of voting shares or voting rights or recent holders of voting shares or voting rights of the Company (being a person who was, during the period of six (6) months prior to 24 August 2023, being the date of the SCR Offer Letter, a holder of voting shares or voting rights of the Company) having any connection with or dependence upon the Proposed SCR.

3.3 As at the LPD, there is no material contract entered into by the Offeror, the Ultimate Offeror or their PACs whereby any NCB Shares held by the Offeror, the Ultimate Offeror or their PACs upon completion of the Proposed SCR will be transferred to any other person(s).

SCR OFFER LETTER



MMC Port Holdings Sdn Bhd (748557-X)

Ground Floor, Wisma Budiman
Persiaran Raja Chulan
50200 Kuala Lumpur, Malaysia

tel +603 2071 1000 fax +603 2026 2389

STRICTLY PRIVATE AND CONFIDENTIAL

Date: 24 August 2023

Board of Directors
NCB HOLDINGS BHD
Ground Floor, Wisma Budiman
Persiaran Raja Chulan
50200 Kuala Lumpur

Dear Sirs,

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE TO BE UNDERTAKEN BY NCB HOLDINGS BHD ("NCB") PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED SCR")

1. INTRODUCTION

- 1.1 We, MMC Port Holdings Sdn Bhd ("**MMC Port**" or "**Offeror**"), in our capacity as the controlling shareholder of NCB, hereby notify you of our intention to request NCB, to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Act which will result in MMC Port holding the entire share capital of NCB upon completion of the Proposed SCR ("**Letter**").
- 1.2 We wish to request NCB to present the Proposed SCR to its shareholders (other than MMC Port) for their consideration and approval.
- 1.3 MMC Corporation Berhad ("**MMC**"), who directly holds the entire equity interest in MMC Port, is deemed to be the ultimate offeror for the Proposed SCR ("**Ultimate Offeror**").
- 1.4 As at 18 August 2023, being the latest practicable date of this Letter ("**LPD**"), the issued share capital of NCB is RM470,557,708 comprising 470,252,708 ordinary shares in NCB ("**NCB Shares**"). MMC Port holds 466,293,554 NCB Shares, representing approximately 99.16% of the share capital of NCB. As at the LPD, MMC Port and MMC have not entered into or been granted any option to acquire any of the NCB Shares. As at the LPD, there are no parties acting in concert with MMC Port or MMC in respect of the Proposed SCR, who holds NCB Shares.
- 1.5 The respective shareholdings of the Ultimate Offeror and the Offeror in NCB as at the LPD are set out as follows:

| | Direct | | Indirect | |
|-------------------------|-------------------|-------|-------------------|-------|
| | No. of NCB Shares | (1)% | No. of NCB Shares | (1)% |
| <u>Offeror</u> | | | | |
| MMC Port | 466,293,554 | 99.16 | - | - |
| <u>Ultimate Offeror</u> | | | | |
| MMC | - | - | (2)466,293,554 | 99.16 |

Notes:

(1) Based on 470,252,708 NCB Shares in issue as at the LPD.

(2) Deemed interested by virtue of its interest in MMC Port pursuant to Section 8 of the Act.

SCR OFFER LETTER (cont'd)

2. DETAILS OF THE PROPOSED SCR

- 2.1 The Proposed SCR involves NCB undertaking a selective capital reduction and a corresponding capital repayment exercise pursuant to Section 116 of the Act in respect of the NCB Shares held by all the shareholders of NCB (other than MMC Port), whose names appear in the Record of Depositors of NCB maintained with Bursa Malaysia Depository Sdn Bhd as at the close of business on an entitlement date to be determined and announced later by the Board of Directors of NCB ("**Board**") ("**Entitlement Date**") ("**Entitled Shareholders**").
- 2.2 As at the LPD, the Entitled Shareholders hold 3,959,154 NCB Shares, representing 0.84% of the share capital of NCB.
- 2.3 Pursuant to the Proposed SCR, the Entitled Shareholders will receive a total capital repayment of RM19,003,939.20, which represents a cash repayment of RM4.80 for each NCB Share ("**SCR Offer Price**") held by the Entitled Shareholders on the Entitlement Date. For the avoidance of doubt, MMC Port will not be entitled to the repayment of capital pursuant to the Proposed SCR.
- 2.4 Upon the successful implementation of the Proposed SCR, the share capital of NCB will be reduced by RM19,003,939.20 by way of cancellation of 3,959,154 NCB Shares held by the Entitled Shareholders at the SCR Offer Price.
- 2.5 MMC Port will still hold the remaining 466,293,554 NCB Shares, which are not cancelled pursuant to the Proposed SCR. Upon the completion of the Proposed SCR ("**Completion**"), MMC Port will be the sole shareholder of NCB and in turn, NCB will become a wholly-owned subsidiary of MMC Port.
- 2.6 The Proposed SCR will be funded by way of an advance from the Offeror to NCB.
- 2.7 We confirm that the Proposed SCR will not fail by reason of insufficient financial capability of MMC Port and NCB, and that every Entitled Shareholder will be fully paid in cash.
- 2.8 In addition, RHB Investment Bank Berhad, being our Principal Adviser for the Proposed SCR, is satisfied that the Proposed SCR will not fail by reason of insufficient financial capability of MMC Port and NCB, and that every Entitled Shareholder will be fully paid in cash.
- 2.9 MMC, MMC Port and NCB are currently unlisted entities.

3. BASIS OF ARRIVING AT THE SCR OFFER PRICE

The SCR Offer Price of RM4.80 for each NCB Share was arrived at after taking into consideration the following:

- (i) the range of the indicative value of the NCB Shares between RM4.77 to RM4.85 as ascribed by Alliance Investment Bank Berhad, being the independent adviser appointed by MMC to provide comments, opinions, information and recommendation on the selective capital reduction and repayment exercise undertaken by MMC, in its Independent Advice Letter dated 8 September 2021;
- (ii) the mandatory take-over offer extended by MMC Port to acquire all the remaining 77,387,856 NCB Shares which were not already owned by MMC Port at RM4.40 per NCB Share, pursuant to the Notice of Unconditional Take-over Offer dated 25 November 2015;
- (iii) MMC Port's previous purchases of NCB Shares between January 2018 until February 2023 at RM4.40 per NCB Share;

SCR OFFER LETTER (cont'd)

- (iv) the price-to-earnings ratio of approximately 14.55 times based on latest audited consolidated net profit of RM155.13 million of NCB for the financial year ended 31 December 2022; and
- (v) the price-to-book ratio of approximately 1.76 times based on latest audited consolidated net assets of RM1,284.86 million of NCB as at 31 December 2022.

4. DISTRIBUTION

If NCB declares, makes and/or pays any further dividend and/or distribution of any nature whatsoever ("**Distribution**"), the entitlement date of which is on or after the date of this Letter up to the completion of the Proposed SCR, the SCR Offer Price will be reduced by an amount equivalent to the net Distribution made per NCB Share.

5. RATIONALE FOR THE PROPOSED SCR

The Proposed SCR is undertaken in view of the following rationale:

- (i) upon the successful implementation of the Proposed SCR, MMC Port will be the sole shareholder of NCB and hence, the Proposed SCR will provide MMC Port with greater flexibility in the implementation of any business plan of NCB, moving forward. It will also reduce administrative efforts and costs pertaining to NCB's obligations to its shareholders, which can be utilised more efficiently in the business of NCB; and
- (ii) the Proposed SCR will provide an opportunity for the Entitled Shareholders to realise their investments rather than continue to hold the unlisted NCB Shares.

6. COVENANTS

6.1 From the date of your acceptance of the terms of this Letter until Completion, NCB shall undertake that:

- (i) NCB will not conduct any form of capital raising exercise, whether in the form of debt or equity, and will not grant any options over NCB Shares or issue any new NCB Shares;
- (ii) save for the purpose of financing and refinancing, NCB and its subsidiaries (other than subsidiaries which are in the process of winding up) will not enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business;
- (iii) NCB will not pass any resolution in a general meeting (other than in respect of the ordinary business tabled in an annual general meeting or in connection with the Proposed SCR) or make any alteration to the provisions of the constitution of NCB or any of its subsidiaries unless it is in relation to the Proposed SCR; and
- (iv) NCB will not do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful obligation of NCB or any of its subsidiaries,

without our prior written consent.

6.2 In addition, NCB shall not enter into any discussion, negotiation or agreement with any other party with respect to the sale of the assets and liabilities of NCB and its subsidiaries or any privatisation proposal involving NCB or any of its subsidiaries at any time until the Completion without our prior written consent.

SCR OFFER LETTER (cont'd)

- 6.3 NCB shall also undertake that, as from the date of this Letter until the Completion, NCB (and using reasonable endeavours to cause and procure that each of its subsidiaries) shall carry on its business in the usual, regular and ordinary course in substantially the same manner as the same is carried on as at the date of this Letter so as to preserve its relationships with all parties to the extent that its goodwill and going concern shall not be materially impaired on the Completion, save as otherwise agreed in writing by us.

7. CONDITIONS OF THE PROPOSED SCR

- 7.1 The Proposed SCR is subject to and conditional on the following being obtained:
- (i) the approval from the Entitled Shareholders via a special resolution to be tabled at the forthcoming extraordinary general meeting ("**EGM**") ("**Special Resolution**"). The Special Resolution is required to be approved by:
 - (a) at least a majority in number of the Entitled Shareholders and 75.00% in value of all NCB Shares held by the Entitled Shareholders that are cast either in person or by proxy at the forthcoming EGM; and
 - (b) the value of the votes cast against the Special Resolution is not more than 10.00% of the votes attaching to all NCB Shares held by the Entitled Shareholders of the total voting shares of NCB;
 - (ii) granting of an order by the High Court of Malaya confirming the reduction of the share capital in NCB in accordance with Section 116 of the Act giving effect to the Proposed SCR ("**Order**"), followed by the lodgment of an office copy of the Order with the Registrar of Companies ("**Lodgment**");
 - (iii) approval and/or consent of the existing financiers and/or creditors of NCB and/or its subsidiaries, if required; and
 - (iv) approval, waiver and/or consent of any relevant authorities or parties, if required.
- 7.2 The Proposed SCR will become effective upon the Lodgment. It is contemplated that the payment of the SCR Offer Price to the Entitled Shareholders will be made as soon as practicable following the Lodgment and shall not be later than 10 days from the date of the Lodgment.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

- 8.1 Save as disclosed below, to the best of our knowledge, there is no other director of NCB and/or persons connected with them who has any interest, directly or indirectly, in the Proposed SCR:
- (i) Tan Sri Che Khalib bin Mohamad Noh, being a director of NCB, is also a director of MMC Port and the Group Managing Director of MMC;
 - (ii) Dato' Azman Shah bin Mohd Yusof, being a director of NCB, is also the Executive Director by designation of MMC Port and the Chief Executive Officer of Northport (Malaysia) Bhd, a wholly-owned subsidiary of NCB;
 - (iii) Badrulhisyam bin Fauzi, being a director of NCB, is also a director of MMC Port and the Group Chief Financial Officer of MMC; and
 - (iv) Asyraf Suhaimi bin Sulaiman, being a director of NCB, is also the Head of Group Strategy & Investments of MMC.

The abovementioned directors do not hold any NCB Shares, directly or indirectly.

SCR OFFER LETTER (cont'd)

- 8.2 The abovementioned directors will abstain from deliberations and voting at the relevant Board meetings of NCB in respect of the Proposed SCR. Further, the said directors will also ensure that persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings, if any, in NCB on the Special Resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.
- 8.3 MMC Port, the Ultimate Offeror and persons connected with them, if any, will also abstain from voting in respect of their direct and/or indirect shareholdings, if any, in NCB on the Special Resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.
- 8.4 In addition, we also confirm that as at the LPD:
- (i) we have not received any irrevocable undertaking from any Entitled Shareholder to vote in favour of the Proposed SCR; and
 - (ii) there is no existing or proposed agreement, arrangement or understanding in relation to the NCB Shares between us and any of the Entitled Shareholders.

9. GOVERNING LAW AND DISPUTE RESOLUTION

The Proposed SCR and any agreement constituted by the acceptance of this Letter shall be governed by the laws of Malaysia and each party will submit to the exclusive jurisdiction of the Courts of Malaysia.

10. ACCEPTANCE PERIOD

If the Board (save for the directors referred in Paragraph 8.1 herein) is agreeable to implement and recommend the Proposed SCR to the Entitled Shareholders upon the terms envisaged in this Letter, please execute and return the enclosed duplicate copy of this Letter to us no later than 5.00 p.m. on 9 October 2023 (or such other date(s) as may be extended by us in writing), after which the proposal in this Letter shall lapse.

We trust the above is sufficient for the consideration and deliberation by the Board and look forward to your favourable response.

Yours faithfully,
For and on behalf of
MMC PORT HOLDINGS SDN BHD

BADRULHISYAM BIN FAUZI
Director

SCR OFFER LETTER (cont'd)

To: MMC PORT HOLDINGS SDN BHD

NCB HOLDINGS BHD

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE TO BE UNDERTAKEN BY NCB HOLDINGS BHD PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016

We, NCB Holdings Bhd, hereby agree and accept the terms of your Letter as set out above.

Yours faithfully,
For and on behalf of
NCB HOLDINGS BHD

.....
Name: Ahmad Aznan bin Mohd Nawawi
Designation: Independent Director
Date: 20 September 2023

INFORMATION ON MMC PORT

1. HISTORY AND PRINCIPAL ACTIVITIES

MMC Port was incorporated in Malaysia on 26 September 2006 as a private company limited by shares under the name of MMC Ventures Sdn Bhd. On 15 July 2015, it changed its name to MMC Port Holdings Sdn Bhd. The principal activity of MMC Port is investment holding.

The principal activities of the subsidiaries, associated company and joint ventures of MMC Port are set out in Section 5 of this Appendix II.

2. SHARE CAPITAL**2.1 Share capital**

The issued share capital of MMC Port as at the LPD is as follows:

| | <u>No. of shares</u> | <u>RM</u> |
|-----------------|-----------------------------|--------------------------------|
| Ordinary shares | 3,546,417,409 | 3,546,417,409.00 |
| RCPS | 1,065,346,798 | 1,065,346,798.00 |
| Total | <u>4,611,764,207</u> | <u>4,611,764,207.00</u> |

2.2 Convertible securities

Save for the RCPS, MMC Port does not have any other outstanding convertible securities in issue as at the LPD. The RCPS are held by MMC (978,578,872 RCPS - 91.90%) and Anglo-Oriental (Annuities) Sdn Bhd (a wholly-owned subsidiary of MMC) (86,767,926 RCPS - 8.10%).

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of MMC Port and their respective shareholdings in MMC Port as at the LPD are as follows:

| <u>Name</u> | <u>Direct</u> | | <u>Indirect</u> | |
|-------------|-------------------------------|-------------|-------------------------------|-------------|
| | <u>No. of ordinary shares</u> | <u>(1)%</u> | <u>No. of ordinary shares</u> | <u>(1)%</u> |
| MMC | 3,546,417,409 | 100.00 | - | - |
| STJSB | - | - | (2)3,546,417,409 | 100.00 |
| ICSB | - | - | (3)3,546,417,409 | 100.00 |
| TSSM | - | - | (4)3,546,417,409 | 100.00 |

Notes:

(1) Based on 3,546,417,409 ordinary shares in MMC Port as at the LPD.

(2) Deemed interested by virtue of its interest in MMC pursuant to section 8 of the Act.

(3) Deemed interested by virtue of its interest in STJSB pursuant to section 8 of the Act.

(4) Deemed interested by virtue of his interest in ICSB pursuant to section 8 of the Act.

INFORMATION ON MMC PORT (Cont'd)

4. DIRECTORS

The directors of MMC Port as at the LPD are Tan Sri Che Khalib bin Mohamad Noh and Badrulhisyam bin Fauzi.

None of the directors of MMC Port hold any shares (direct or indirect) in MMC Port as at the LPD.

5. SUBSIDIARIES, ASSOCIATED COMPANY AND JOINT VENTURES**5.1 Subsidiaries**

The subsidiaries of MMC Port as at the LPD are as follows:

| Name | Place of incorporation | Effective equity interest of MMC Port (%) | Principal activities |
|---|--|--|---|
| MMCP Shared Services Centre Sdn Bhd | Malaysia | 100.00 | Other information technology service activities N.E.C. and business management consultancy services |
| Penang Port Sdn Bhd | Malaysia | 100.00 | Operating, maintaining, managing and the provision of port facilities and other related services |
| Tanjung Bruas Port Sdn Bhd | Malaysia | 70.00 | Port operator |
| Andaman Port Sdn Bhd | Malaysia | 100.00 | Other transportation support activities N.E.C., operation of terminal facilities and port, harbours and piers operation services |
| Pelabuhan Tanjung Pelepas Sdn Bhd | Malaysia | 70.00 | Constructing, operating, maintaining and managing Pelabuhan Tanjung Pelepas together with the provision of port facilities and other related services under the terms of license issued by the Johor Port Authority |
| Johor Port Berhad | Malaysia | 100.00 | Port and other port related activities |
| Langkawi Cruise Terminal Sdn Bhd (formerly known as Langkawi Cruise Centre Sdn Bhd) | Malaysia | 100.00 | Terminal operator |
| NCB | Malaysia | 99.16 | Investment holding and the provision of management services to its subsidiaries |
| NCB's subsidiaries | Please refer to Section 5.1 of Appendix IV of this Document for details of the NCB's subsidiaries. | | |

INFORMATION ON MMC PORT (Cont'd)

| Name | Place of incorporation | Effective equity interest of MMC Port (%) | Principal activities |
|---|-------------------------------|--|---|
| <u>Indirect subsidiaries under Penang Port Sdn Bhd</u> | | | |
| Penang Port Human Capital Services Sdn Bhd | Malaysia | 100.00 | Provision of human resources for client businesses, other management consultancy activities N.E.C. and human resource affairs (Inactive) |
| Swettenham Pier Cruise Terminal Sdn Bhd | Malaysia | 100.00 | Port, harbours and piers operation services and operation of terminal facilities (Inactive) |
| <u>Indirect subsidiaries under Pelabuhan Tanjung Pelepas Sdn Bhd</u> | | | |
| Pelepas Terminal Inland Services Sdn Bhd | Malaysia | 49.00 | To repair, prepare and trade of containers and to deal in all kinds and descriptions of containers and containerisation system and other related services |
| Manpower Excellence Sdn Bhd | Malaysia | 70.00 | Activities of employment placement agencies, human resource affairs and provision of human resources for client businesses |
| <u>Indirect subsidiaries under Johor Port Berhad</u> | | | |
| JP Logistics Sdn Bhd | Malaysia | 100.00 | Providing warehouse and office space, rendering cargo and container handling, freight forwarding, internal and external haulage services, container repairs and maintenance and yard operations |
| SPT Services Sdn Bhd | Malaysia | 70.00 | Operation, management and maintenance of terminal facilities |

5.2 Associated company

The associated company of MMC Port as at the LPD is as follows:

| Name | Place of incorporation | Proportion of ownership interest (%) | Principal activities |
|--------------------------------|-------------------------------|---|--|
| NCB Group's associated company | | | Please refer to Section 5.2 of Appendix IV of this Document for details of NCB Group's associated company. |

INFORMATION ON MMC PORT (Cont'd)

5.3 Joint ventures

The joint ventures of MMC Port as at the LPD is as follows:

| Name | Place of incorporation | Proportion of ownership interest (%) | Principal activities |
|--|---|---|--|
| <u>Indirect joint venture under Johor Port Berhad</u> | | | |
| Cranetech Global Sdn Bhd (Under members' voluntary liquidation) | Malaysia | 50.00 | Providing maintenance service for all types and makes of industrial crane, hoist, machine tools and port equipment |
| NCB Group's joint venture | Please refer to Section 5.3 of Appendix IV of this Document for details of NCB Group's joint venture. | | |

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of MMC Port based on the audited consolidated financial statements for the past three (3) FYE 31 December 2020 to 31 December 2022 are as follows:

| | Audited | | |
|---|------------------------|-----------------|-----------------|
| | FYE 31 December | | |
| | 2020 | 2021 | 2022 |
| | (RM'000) | (RM'000) | (RM'000) |
| Revenue | 2,439,927 | 3,867,640 | 4,058,078 |
| PBT | 375,437 | 765,806 | 919,818 |
| PAT | 239,983 | 552,957 | 660,142 |
| PAT attributable to: | | | |
| - owner of MMC Port | 200,639 | 461,442 | 562,094 |
| - non-controlling interest | 39,344 | 91,515 | 98,048 |
| | <u>239,983</u> | <u>552,957</u> | <u>660,142</u> |
| EPS (RM) | 0.06 | 0.13 | 0.16 |
| Dividend per ordinary share of MMC Port (sen) | 9.05 | 8.58 | 7.05 |

INFORMATION ON MMC PORT (Cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of MMC Port based on its audited consolidated financial statements as at 31 December 2021 and 31 December 2022:

| | Audited as at 31 December | |
|--|--------------------------------|-------------------|
| | 2021 (RM'000) (Restated) | 2022 (RM'000) |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 3,446,116 | 3,441,427 |
| Concession assets | 5,483,296 | 5,996,081 |
| Investment properties | 607,580 | 431,141 |
| Rights-of-use assets | 610,912 | 563,265 |
| Interests in associates | 11,397 | 12,508 |
| Investment in joint arrangements | 114,976 | 154,230 |
| Inventories | 1,183,985 | - |
| Trade and other receivables | 245,632 | 1,025,155 |
| Intangible assets | 414,163 | 409,784 |
| Deferred tax assets | 402,844 | 302,396 |
| | <u>12,520,901</u> | <u>12,335,987</u> |
| Current assets | | |
| Inventories | 51,408 | 61,043 |
| Trade and other receivables | 596,862 | 585,836 |
| Derivative financial instruments | 997 | 3,628 |
| Tax recoverable | 8,372 | 14,957 |
| Assets held for sale | 6,129 | 4,919 |
| Other investments | 1,343,364 | 1,378,075 |
| Deposits, bank and cash balances | 279,836 | 442,428 |
| | <u>2,286,968</u> | <u>2,490,886</u> |
| TOTAL ASSETS | <u>14,807,869</u> | <u>14,826,873</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of parent | | |
| Share capital | 4,603,018 | 4,614,402 |
| Reserves ⁽¹⁾ | (703,356) | (389,553) |
| | <u>3,899,662</u> | <u>4,224,849</u> |
| Non-controlling interests | 809,341 | 831,947 |
| TOTAL EQUITY | <u>4,709,003</u> | <u>5,056,796</u> |
| Non-current liabilities | | |
| Borrowings | 5,344,899 | 5,349,368 |
| Lease liabilities | 197,008 | 162,583 |
| Concession liabilities | 1,992,299 | 2,417,885 |
| Deferred income | 64,455 | 61,198 |
| Trade and other payables | 133,194 | 66,033 |
| Contract liabilities | 99,599 | 97,960 |
| Deferred tax liabilities | 166,411 | 108,116 |
| | <u>7,997,865</u> | <u>8,263,143</u> |
| Current liabilities | | |
| Borrowings | 502,685 | 174,040 |
| Lease liabilities | 75,680 | 79,107 |
| Concession liabilities | 84,065 | 181,939 |
| Trade and other payables | 1,362,263 | 1,036,813 |
| Deferred income | 3,257 | 3,257 |
| Derivative financial instruments | - | 1,984 |
| Tax payables | 73,051 | 29,794 |
| | <u>2,101,001</u> | <u>1,506,934</u> |
| TOTAL LIABILITIES | <u>10,098,866</u> | <u>9,770,077</u> |
| TOTAL EQUITY AND LIABILITIES | <u>14,807,869</u> | <u>14,826,873</u> |

INFORMATION ON MMC PORT *(Cont'd)*

| | Audited as at 31 December | |
|--|----------------------------------|-----------------|
| | 2021 | 2022 |
| | (RM'000) | (RM'000) |
| | (Restated) | |
| No of ordinary shares of MMC Port ('000) | 3,546,417 | 3,546,417 |
| NA per ordinary share of MMC Port (RM) | 1.10 | 1.19 |

Note:

(1) *Inclusive of merger reserves, cash flow hedge reserve and retained earnings.*

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the LPD, there are no known material changes in the financial position of MMC Port subsequent to its last audited consolidated financial statement for the FYE 31 December 2022.

9. ACCOUNTING POLICIES

The audited consolidated financial statements of MMC Port for the past three (3) FYE 31 December 2020 to 31 December 2022 have been prepared based on approved Malaysian accounting standards and there was no audit qualification on MMC Port's audited consolidated financial statements for the respective years under review.

Save for the restatement of certain comparative numbers in line with the application of IC Interpretation 12 'Service Concession Arrangements' as disclosed in Note 40 of the audited financial statements of MMC Port for the FYE 31 December 2022, there is no other significant change in the accounting policies that would result in a material variation to the comparable figures for the audited consolidated financial statements of MMC Port for the past three (3) FYE 31 December 2020 to 31 December 2022.

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INFORMATION ON MMC

1. HISTORY AND PRINCIPAL ACTIVITIES

MMC was incorporated in Malaysia on 19 November 1976 as a private company limited by shares under the name of Malayan Tin Dredging (M) Sdn Berhad. It was converted into a public company and changed its name to Malayan Tin Dredging (M) Berhad on 8 March 1977. On 10 October 1981, it changed its name to Malaysia Mining Corporation Berhad before assuming its present name, MMC on 4 June 2004.

MMC was listed on the Main Board of Bursa Securities (now known as the Main Market of Bursa Securities) and the London Stock Exchange on 12 July 1977. MMC's listing on the London Stock Exchange was terminated with effect from 31 January 1996. Further, MMC was delisted from the Main Market of Bursa Securities on 16 December 2021 subsequent to a selective capital reduction exercise undertaken by MMC.

The principal activities of MMC are investment holding, construction, mining and mineral exploration.

The principal activities of the subsidiaries, associated companies and joint ventures of MMC are set out in Section 5 of this Appendix III.

2. SHARE CAPITAL**2.1 Issued share capital**

The issued share capital of MMC as at the LPD is as follows:

| | <u>No. of shares</u> | <u>RM</u> |
|-----------------|----------------------|-------------------------|
| Ordinary shares | 1,576,108,840 | 1,000,000,000.00 |
| Total | 1,576,108,840 | 1,000,000,000.00 |

2.2 Convertible securities

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

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of MMC and their respective shareholdings in MMC as at the LPD are as follows:

| <u>Name</u> | <u>Direct</u> | | <u>Indirect</u> | |
|----------------------|----------------------|-------------|----------------------|-------------|
| | <u>No. of shares</u> | <u>(1)%</u> | <u>No. of shares</u> | <u>(1)%</u> |
| STJSB ⁽²⁾ | 1,576,108,840 | 100.00 | - | - |
| ICSB | - | - | (3)1,576,108,840 | 100.00 |
| TSSM | - | - | (4)1,576,108,840 | 100.00 |

Notes:

(1) Based on 1,576,108,840 ordinary shares in MMC as at the LPD.

(2) Held by CIMB Group Nominees (Tempatan) Sdn Bhd
- Pledged Securities Account-MTrustee Bhd for STJSB.

(3) Deemed interested by virtue of its interest in STJSB pursuant to section 8 of the Act.

(4) Deemed interested by virtue of his interest in ICSB pursuant to section 8 of the Act.

INFORMATION ON MMC (Cont'd)

4. DIRECTORS**4.1 Directors of MMC**

The directors of MMC as at the LPD are Tan Sri Tajuddin bin Atan, Tan Sri Che Khalib bin Mohamad Noh, Datuk Ooi Teik Huat, Dato' Abdul Hamid bin Sh Mohamed, Dato' Siti Halimah binti Ismail, Dato' Syed Naqiz Shahabuddin bin Syed Abdul Jabbar and Dato' Ir. Jamaludin bin Osman.

None of the directors of MMC hold any shares (direct or indirect) in MMC as at the LPD.

4.2 Directors of STJSB

The directors of STJSB as at the LPD are TSSM and Syed Danial bin Syed Mokhtar Shah.

4.3 Directors of ICSB

The directors of ICSB as at the LPD are TSSM and Puan Sri Sharifah Zarah binti Syed Kechik.

5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES**5.1 Subsidiaries**

The subsidiaries of MMC as at the LPD are as follows:

| Name | Place of incorporation | Effective equity interest of MMC (%) | Principal activities |
|--|-------------------------------|---|---|
| MMC Port | Malaysia | 100.00 | Investment holding |
| MMC Engineering Group Berhad | Malaysia | 100.00 | Engineering, management services and investment holding |
| Aliran Ihsan Resources Berhad | Malaysia | 100.00 | Investment holding |
| MMC Utilities Berhad | Malaysia | 100.00 | Mining of tin ores (Inactive) |
| MMC Logistics Holdings Sdn Bhd | Malaysia | 100.00 | Activities of holding companies, business and other applications, other business support service activities N.E.C. (Inactive) |
| MMC Pembetulan Langat Sdn Bhd | Malaysia | 100.00 | Design and construct sewerage system |
| MMC Land Sdn Bhd | Malaysia | 100.00 | Activity of the companies investment holding |
| MMC International Holdings Limited | British Virgin Islands | 100.00 | Investment holding |
| Southern Kinta Consolidated (M) Berhad | Malaysia | 100.00 | Investment holding company (Inactive) |
| Anglo-Oriental (Annuities) Sdn Bhd | Malaysia | 100.00 | Investment holdings |
| Kramat Tin Dredging Berhad | Malaysia | 52.90 | Mining of tin ores and support activities for other mining and quarrying (Inactive) |

INFORMATION ON MMC (Cont'd)

| Name | Place of incorporation | Effective equity interest of MMC (%) | Principal activities |
|--|---|---|--|
| Senai Airport Terminal Services Sdn Bhd | Malaysia | 100.00 | To manage, operate, maintain and develop the Senai International Airport |
| Anglo-Oriental (Malaya) Sdn Berhad | Malaysia | 100.00 | Investment and property holdings |
| Southern Malayan Tin Dredging (M) Berhad | Malaysia | 100.00 | Mining of tin ores (Inactive) |
| MMC Project Management Sdn Bhd (<i>formerly known as Bidor Malaya Tin Sdn Bhd</i>) | Malaysia | 100.00 | Mining of tin ores |
| Pernas Charter Management Sdn Bhd | Malaysia | 100.00 | Provision of management services to holding company and fellow subsidiaries |
| Timah Securities Berhad | Malaysia | 100.00 | Rental income from the letting out of its properties |
| MMC Capital Inc. | Labuan | 100.00 | Investment holding |
| <u>Indirect subsidiaries under MMC Port</u> | | | |
| NCB | Malaysia | 99.16 | Investment holding and provision of management services to its subsidiaries |
| NCB Group | Please refer to Section 5.1 of Appendix IV of this Document for details of the NCB Group. | | |
| MMC Port's subsidiaries | Please refer to Section 5.1 of Appendix II of this Document for details of MMC Port's subsidiaries. | | |
| <u>Indirect subsidiaries under MMC Engineering Group Berhad</u> | | | |
| MMC Engineering Sdn Bhd | Malaysia | 100.00 | The company is principally engaged in specialised engineering and construction works |
| MMC Engineering & Construction Sdn Bhd | Malaysia | 100.00 | Involved in civil engineering works related to natural gas pipelines construction, marine structures and facilities, earthworks and power plants |
| MMC Technical Services Sdn Bhd | Malaysia | 100.00 | Investment holding company and to provide professional services to the oil and gas and resources industries |
| MMC-GTM Bina Sama Sdn Berhad | Malaysia | 100.00 | Property developer, civil engineering and construction works |
| MMC Tepat Teknik Sdn Bhd | Malaysia | 100.00 | Engineering services (Inactive) |
| MMC Transport Engineering Sdn Bhd | Malaysia | 100.00 | Engineering services (Inactive) |

INFORMATION ON MMC (Cont'd)

| Name | Place of incorporation | Effective equity interest of MMC (%) | Principal activities |
|---|-------------------------------|---|---|
| MMC EG Co Ltd | Mongolia | 90.00 | Inactive |
| <u>Indirect subsidiary under MMC Technical Services Sdn Bhd</u> | | | |
| MMC Oil & Gas Engineering Sdn Bhd | Malaysia | 100.00 | Provision of professional engineering services to the oil and gas industry |
| <u>Indirect subsidiaries under MMC Tepat Teknik Sdn Bhd</u> | | | |
| MMC Tepat Teknik (Kejuruteraan) Sdn Bhd | Malaysia | 100.00 | Engineering services (Inactive) |
| MMC Tepat Teknik (Sarawak) Sdn Bhd | Malaysia | 100.00 | Wholesale of industrial machinery, equipment and supplies (Inactive) |
| <u>Indirect subsidiaries under Aliran Ihsan Resources Berhad</u> | | | |
| Aliran Water Services Sdn Bhd | Malaysia | 100.00 | Purification and distribution of water for water supply purposes (Inactive) |
| Aliran Utara Sdn Bhd | Malaysia | 100.00 | Operation, maintenance and management of water treatment plant |
| Aliran Utilities Sdn Bhd | Malaysia | 100.00 | Activities of holding companies, purification and distribution of water for water supply purposes |
| Aliran Jebat Sdn Bhd | Malaysia | 80.00 | Wholesale of a variety of goods without any particular specialisation N.E.C. and activities of holding companies (Inactive) |
| <u>Indirect subsidiary under Aliran Water Services Sdn Bhd</u> | | | |
| SWESB MMCES JV Sdn Bhd | Malaysia | 100.00 | Purification and distribution of water for water supply purposes and water main and line construction |
| <u>Indirect subsidiaries under MMC Land Sdn Bhd</u> | | | |
| MMC Real Estate Sdn Bhd | Malaysia | 100.00 | Activities of holding companies |
| Northern Technocity Sdn Bhd | Malaysia | 100.00 | Property developer |
| SKS Development Sdn Bhd | Malaysia | 100.00 | Development company |
| Seaport Worldwide Sdn Bhd | Malaysia | 100.00 | Investment holding and property development |
| Senai Airport City Services Sdn Bhd | Malaysia | 100.00 | Provides management services for Senai Airport City development area and acting as Free Zone Authority manager |

INFORMATION ON MMC (Cont'd)

| Name | Place of incorporation | Effective equity interest of MMC (%) | Principal activities |
|---|-------------------------------|---|---|
| Senai Airport City Sdn Bhd | Malaysia | 100.00 | Property owner and developer |
| <u>Indirect subsidiaries under MMC International Holdings Limited</u> | | | |
| City Island Holdings Limited | British Virgin Islands | 100.00 | Investment holding |
| MMC Saudi Holdings Limited | British Virgin Islands | 100.00 | Investment holding |
| MMC Ports Limited | British Virgin Islands | 100.00 | Investment holding |
| MMC Utilities Limited | British Virgin Islands | 100.00 | Investment holding and provision of project management services |
| <u>Indirect subsidiaries under Anglo-Oriental (Annuities) Sdn Bhd</u> | | | |
| Dana Vision Sdn Bhd | Malaysia | 100.00 | Letting of property (Inactive) |
| Labohan Dagang Galian Sendirian Berhad | Malaysia | 100.00 | Investment holding |
| MMC Marketing Sdn Bhd | Malaysia | 100.00 | Property investment |
| Projek Lebuhraya Timur Sdn Bhd | Malaysia | 100.00 | Activities of holding companies (Inactive) |
| <u>Indirect subsidiaries under Senai Airport Terminal Services Sdn Bhd</u> | | | |
| Senai Airport Sdn Bhd | Malaysia | 100.00 | Airport and air-traffic-control activities (Inactive) |
| <u>Indirect subsidiaries under Anglo-Oriental (Malaya) Sdn Berhad</u> | | | |
| Tronoh Holdings (Selangor) Sendirian Berhad | Malaysia | 100.00 | Property investment |
| MMC Frigstad Offshore Sdn Bhd | Malaysia | 100.00 | Property investment (Inactive) |

5.2 Associated companies

The associated companies of MMC as at the LPD are as follows:

| Name | Place of incorporation | Effective equity interest of MMC (%) | Principal activities |
|--|---|---|--|
| Malakoff Corporation Berhad <i>(listed on the Main Market of Bursa Securities)</i> | Malaysia | 38.45 | Investment holding |
| NCB's associated company | Please refer to Section 5.2 of Appendix IV of this Document for details of NCB's associated company. | | |
| MMC Port's associated company | Please refer to Section 5.2 of Appendix II of this Document for details of MMC Port's associated company. | | |
| Gas Malaysia Berhad <i>(listed on the Main Market of Bursa Securities)</i> | Malaysia | 30.93 | Selling, marketing and promotion of natural gas to the industrial, commercial and residential sectors as well as construct and operate the Natural Gas |

INFORMATION ON MMC (Cont'd)

| Name | Place of incorporation | Effective equity interest of MMC (%) | Principal activities |
|---|-------------------------|--------------------------------------|---|
| | | | Distribution System in Peninsular Malaysia |
| Jazan Economic City Land Limited | Kingdom of Saudi Arabia | 24.00 | Development of Jazan Economic City in the Kingdom of Saudi Arabia |
| Red Sea Ports Development Company | Kingdom of Saudi Arabia | 20.00 | Operation and maintenance of container terminals |
| Red Sea Gateway Terminal Company Limited | Kingdom of Saudi Arabia | 12.00 | Operation and maintenance of container terminals |
| Ajil Minerals Sdn Bhd | Malaysia | 49.00 | Inactive |
| Red Sea Ports Development International Limited | United Kingdom | 20.00 | Activities of open-ended investment companies |
| Red Sea Gateway Terminal International Limited | United Kingdom | 12.00 | Activities of open-ended investment companies |
| Konsortium Bernas MMC SPPM Sdn Bhd | Malaysia | 10.00 | Inactive |

5.3 Joint ventures

The joint ventures of MMC as at the LPD are as follows:

| Name | Place of incorporation | Effective equity interest of MMC (%) | Principal activities |
|----------------------------------|---|--------------------------------------|--|
| MMC Port's joint ventures | Please refer to Section 5.3 of Appendix II of this Document for details of MMC Port's joint ventures. | | |
| KTMB MMC Cargo Sdn Bhd | Malaysia | 49.00 | Rail freight transport and related businesses in the rail cargo sector |
| MMC-Gamuda Joint Venture Sdn Bhd | Malaysia | 50.00 | Design, construction, testing, commissioning and maintenance of the Electrified Double Tracking Project between Ipoh and Padang Besar |
| MMC Gamuda KVMRT (PDP) Sdn Bhd | Malaysia | 50.00 | Undertake, construct, maintain, improve, develop implement, control, execute and manage the Klang Valley Mass Rapid Transit Project – Sungai Buloh – Kajang Line in Malaysia |
| MMC Gamuda KVMRT (T) Sdn Bhd | Malaysia | 50.00 | Design, construction, testing and commissioning of the Klang Valley Mass Rapid Transit Project Underground Works (tunnels, stations and associated structures) |

INFORMATION ON MMC (Cont'd)

| Name | Place of incorporation | Effective equity interest of MMC (%) | Principal activities |
|------------------------------------|---|--------------------------------------|---|
| MMC Gamuda KVMRT (PDP SSP) Sdn Bhd | Malaysia | 50.00 | Undertake, construct, maintain, improve, develop implement, control, execute and manage the Klang Valley Mass Rapid Transit Project – Sungai Buloh – Serdang – Putrajaya Line in Malaysia |
| Projek Smart Holdings Sdn Bhd | Malaysia | 50.00 | Investment holding (Inactive) |
| UEM MMC Joint Venture Sdn Bhd | Malaysia | 50.00 | Investment holding |
| Salcon MNCB AZSB JV Sdn Bhd | Malaysia | 34.00 | Process engineering, construction and operation for clean water and waste/water treatment plants and pipe network and related mechanical, electrical and instrumentation work |
| Salcon MMCES AZSB JV Sdn Bhd | Malaysia | 50.00 | Process engineering, construction and operation for clean water and waste/water treatment plants and pipe network and related mechanical, electrical and instrumentation work |
| Red Sea Housing Malaysia Sdn Bhd | Malaysia | 51.00 | Manufactures and builders of fabricated buildings |
| Retro Highland Sdn Bhd | Malaysia | 50.00 | Property development |
| NCB Group's joint venture | Please refer to Section 5.3 of Appendix IV of this Document for details of NCB's joint venture. | | |
| AB Aliran Ventures Sdn Bhd | Malaysia | 60.00 | Purification and distribution of water for water supply purposes |
| DORIS MMC Sdn Bhd | Malaysia | 50.00 | Other architectural and engineering activities and related technical consultancy N.E.C. |

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of MMC based on the audited consolidated financial statements for the past three (3) FYE 31 December 2020 to 31 December 2022 are as follows:

| | Audited FYE 31 December | | |
|---------|----------------------------|--------------------------------|------------------|
| | 2020 (RM'000) | 2021 (RM'000) (Restated) | 2022 (RM'000) |
| Revenue | 4,492,748 | 5,123,021 | 5,409,790 |
| PBT | 653,714 | 1,225,522 | 918,741 |
| PAT | 445,844 | 997,288 | 700,359 |

INFORMATION ON MMC (Cont'd)

| | Audited FYE 31 December | | |
|--|----------------------------|--------------------------------|------------------|
| | 2020 (RM'000) | 2021 (RM'000) (Restated) | 2022 (RM'000) |
| PAT attributable to: | | | |
| - owner of MMC | 375,295 | 906,563 | 602,084 |
| - non-controlling interest | 70,549 | 90,725 | 98,275 |
| | <u>445,844</u> | <u>997,288</u> | <u>700,359</u> |
| EPS (RM) | 0.12 | 0.58 | 0.38 |
| Dividend per ordinary share of MMC (sen) | 5.00 | 1.66 | 9.98 |

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of MMC based on the audited consolidated financial statements as at 31 December 2021 and 31 December 2022 are as follows:

| | Audited as at 31 December | |
|--|--------------------------------|--------------------------|
| | 2021 (RM'000) (Restated) | 2022 (RM'000) |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 3,973,231 | 4,024,035 |
| Concession assets | 5,483,296 | 5,996,081 |
| Investment properties | 632,207 | 726,120 |
| Rights-of-use assets | 850,804 | 783,066 |
| Interests in associates | 4,340,440 | 4,325,588 |
| Investment in joint arrangements | 768,295 | 829,883 |
| Investment securities | 29,515 | 25,893 |
| Other investments | - | - |
| Inventories | 2,867,961 | 2,889,454 |
| Trade and other receivables | 73,146 | 101,770 |
| Intangible assets | 2,282,320 | 2,271,728 |
| Deferred tax assets | 470,464 | 373,481 |
| | <u>21,771,679</u> | <u>22,347,099</u> |
| Current assets | | |
| Inventories | 101,109 | 182,974 |
| Trade and other receivables | 1,110,707 | 1,041,820 |
| Contract assets | 142,390 | 198,704 |
| Derivative financial instruments | 997 | 3,628 |
| Assets held for sale | 6,129 | 12,624 |
| Investment securities | - | - |
| Tax recoverable | 11,102 | 97,674 |
| Other investments | 2,742,983 | 1,888,501 |
| Deposits, bank and cash balances | 336,677 | 553,796 |
| | <u>4,452,094</u> | <u>3,979,721</u> |
| TOTAL ASSETS | <u>26,223,773</u> | <u>26,326,820</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of parent | | |
| Share capital | 1,000,000 | 1,000,000 |
| Reserves ⁽¹⁾ | 6,428,830 | 6,750,973 |
| | <u>7,428,830</u> | <u>7,750,973</u> |
| Shareholder's advance | 2,937,899 | 2,937,899 |
| Non-controlling interests | 816,105 | 838,311 |
| TOTAL EQUITY | <u>11,182,834</u> | <u>11,527,183</u> |

INFORMATION ON MMC (Cont'd)

| | Audited as at 31 December | |
|--|---------------------------|-------------------|
| | 2021 | 2022 |
| | (RM'000) | (RM'000) |
| | (Restated) | |
| Non-current liabilities | | |
| Redeemable preference shares | - | - |
| Borrowings | 8,137,949 | 7,826,225 |
| Lease liabilities | 253,617 | 208,866 |
| Concession liabilities | 1,992,299 | 2,417,886 |
| Land lease received in advance | - | - |
| Provision for retirement benefits | 45,508 | 42,612 |
| Deferred income | 153,303 | 124,112 |
| Trade and other payables | 129,999 | 147,256 |
| Contract liabilities | 99,599 | 97,960 |
| Deferred tax liabilities | 476,957 | 470,856 |
| | <u>11,289,231</u> | <u>11,335,773</u> |
| Current liabilities | | |
| Borrowings | 1,200,892 | 1,226,909 |
| Lease liabilities | 82,105 | 81,591 |
| Concession liabilities | 84,065 | 181,938 |
| Trade and other payables | 1,521,997 | 1,572,573 |
| Contract liabilities | 763,540 | 366,124 |
| Deferred income | 10,505 | 4,251 |
| Derivative financial instruments | - | 1,984 |
| Tax payables | 88,604 | 28,494 |
| | <u>3,751,708</u> | <u>3,463,864</u> |
| TOTAL LIABILITIES | <u>15,040,939</u> | <u>14,799,637</u> |
| TOTAL EQUITY AND LIABILITIES | <u>26,223,773</u> | <u>26,326,820</u> |
| No of ordinary shares of MMC shares ('000) | 1,576,109 | 1,576,109 |
| NA per ordinary share of MMC shares (RM) | 4.71 | 4.92 |

Note:

(1) Inclusive of foreign exchange reserve, revaluation reserve, cash flow hedge reserve, other reserve and retained earnings.

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the LPD, there are no known material changes in the financial position of MMC subsequent to its last audited consolidated financial statement for the FYE 31 December 2022.

9. ACCOUNTING POLICIES

The audited consolidated financial statements of MMC for the past three (3) FYE 31 December 2020 to 31 December 2022 have been prepared based on approved Malaysian accounting standards and there was no audit qualification on MMC's audited consolidated financial statements for the respective years under review.

Save for the restatement of certain comparative numbers in line with the application of IC Interpretation 12 'Service Concession Arrangements' as disclosed in Note 42 of the audited financial statements of MMC for the FYE 31 December 2022, there is no other significant change in the accounting policies that would result in a material variation to the comparable figures for the audited consolidated financial statements of MMC for the past three (3) FYE 31 December 2020 to 31 December 2022.

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

NCB was incorporated in Malaysia on 8 January 1999 as a public company limited by shares under the name of Northport Integrated Holdings Bhd. It changed its name to Northport Corporation Bhd on 7 May 1999. Thereafter, it changed its name to NCB Holdings Bhd on 29 October 2001. NCB was listed in the Main Market of Bursa Securities on 18 September 2000 and thereafter delisted from the Main Market of Bursa Malaysia Securities Berhad on 17 February 2016 subsequent to a mandatory take-over offer by MMC Port to acquire all the remaining shares not already owned by MMC Port.

NCB is an investment holding company providing management services to its subsidiaries.

The principal activities of NCB's subsidiaries, associated company and joint venture are set out in Section 5 of this Appendix IV.

2. SHARE CAPITAL**2.1 Issued share capital**

The issued share capital of our Company as at the LPD is as follows:

| | No. of NCB Shares | RM |
|-----------------|--------------------|-----------------------|
| Ordinary shares | 470,252,708 | 470,557,708.00 |
| Total | 470,252,708 | 470,557,708.00 |

2.2 Convertible securities

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

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of our Company and their respective shareholdings in our Company as at the LPD are as follows:

| Name | Direct | | Indirect | |
|----------|-------------------|-------|-------------------|-------|
| | No. of NCB Shares | (1)% | No. of NCB Shares | (1)% |
| MMC Port | 466,293,554 | 99.16 | - | - |
| MMC | - | - | (2)466,293,554 | 99.16 |
| STJSB | - | - | (3)466,293,554 | 99.16 |
| ICSB | - | - | (4)466,293,554 | 99.16 |
| TSSM | - | - | (5)466,293,554 | 99.16 |

Notes:

(1) Based on 470,252,708 NCB Shares as at the LPD.

(2) Deemed interested by virtue of its interest in MMC Port pursuant to section 8 of the Act.

(3) Deemed interested by virtue of its interest in MMC pursuant to section 8 of the Act.

(4) Deemed interested by virtue of its interest in STJSB pursuant to section 8 of the Act.

(5) Deemed interested by virtue of his interest in ICSB pursuant to section 8 of the Act.

INFORMATION ON OUR COMPANY (Cont'd)

4. DIRECTORS

The Directors of our Company as at the LPD are Tan Sri Che Khalib bin Mohamad Noh, Dato' Azman Shah bin Mohd Yusof, Badrulhisyam bin Fauzi, Asyraf Suhaimi bin Sulaiman and Ahmad Aznan bin Mohd Nawawi.

None of our Directors hold any NCB Shares (direct or indirect) as at the LPD.

5. SUBSIDIARIES, ASSOCIATED COMPANY AND JOINT VENTURE**5.1 Subsidiaries**

Our subsidiaries as at the LPD are as follows:

| Name | Place of incorporation | Our effective equity interest (%) | Principal activities |
|--|-------------------------------|--|---|
| Kontena Nasional Berhad | Malaysia | 100.00 | Haulage of containers, warehousing and provision of freight forwarding service |
| Northport (Malaysia) Bhd | Malaysia | 100.00 | Management of port activities which comprises services rendered to ships, cargo and containers handling, rental of port premises, provision of transportation services and other ancillary services |
| <u>Indirect subsidiary under Northport (Malaysia) Bhd</u> | | | |
| Klang Port Management Sdn Bhd | Malaysia | 100.00 | Other cargo handling activities N.E.C., other service activities incidental to water transportation N.E.C. (Inactive) |
| <u>Indirect subsidiary under Klang Port Management Sdn Bhd</u> | | | |
| Northport Distripark Sdn Bhd | Malaysia | 100.00 | Management of a distribution centre with warehousing, storage and other associated facilities to support trading activities through Port Klang |
| <u>Indirect subsidiaries under Kontena Nasional Berhad</u> | | | |
| Kontena Nasional Global Logistics Sdn Bhd | Malaysia | 100.00 | Provision of freight forwarding services |
| KN Global Transport Sdn Bhd | Malaysia | 100.00 | Warehousing and storage services, other service activities incidental to land transportation N.E.C., and forwarding of freight (Inactive) |
| KN Loginfra Sdn Bhd (<i>under members' voluntary liquidation</i>) | Malaysia | 100.00 | Warehousing and storage services (Inactive) |
| KN Maritime Services Sdn Bhd (<i>under members' voluntary liquidation</i>) | Malaysia | 100.00 | Forwarding of freight (Inactive) |

INFORMATION ON OUR COMPANY *(Cont'd)*

| <u>Name</u> | <u>Place of incorporation</u> | <u>Our effective equity interest (%)</u> | <u>Principal activities</u> |
|---|-------------------------------|--|--|
| Konnas Prolink Sendirian Berhad <i>(under members' voluntary liquidation)</i> | Malaysia | 100.00 | Other service activities incidental to land transportation N.E.C. (Inactive) |

5.2 Associated company

Our Group's associated company as at the LPD is as follows:

| <u>Name</u> | <u>Place of incorporation</u> | <u>Our effective equity interest (%)</u> | <u>Principal activities</u> |
|---|-------------------------------|--|-----------------------------|
| <u>Indirect associated company under Kontena Nasional Berhad</u> | | | |
| P.T. Ritra Konnas Freight Centre | Indonesia | 33.00 | Container depot operations |

5.3 Joint venture

Our Group's joint venture as at the LPD is as follows:

| <u>Name</u> | <u>Place of incorporation</u> | <u>Our effective equity interest (%)</u> | <u>Principal activities</u> |
|--|-------------------------------|--|---|
| <u>Indirect joint venture under Klang Port Management Sdn Bhd</u> | | | |
| Port Klang Cruise Terminal Sdn Bhd | Malaysia | 50.00 | Port facilities and services to cruise and navy vessels |

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of NCB based on the audited consolidated financial statements for the past three (3) FYE 31 December 2020 to 31 December 2022 are as follows:

| | Audited FYE 31 December | | |
|------------------------------|------------------------------------|---|--------------------------|
| | 2020 (RM'000) | 2021 (RM'000) (Restated) | 2022 (RM'000) |
| Revenue | 768,184 | 966,344 | 1,056,935 |
| PBT | 101,911 | 278,163 | 202,439 |
| PAT | 73,833 | 219,196 | 155,127 |
| PAT attributable to: | | | |
| - owners of NCB | 73,833 | 219,196 | 155,127 |
| - non-controlling interests | - | - | - |
| | <u>73,833</u> | <u>219,196</u> | <u>155,127</u> |
| EPS (sen) | 0.16 | 0.47 | 0.33 |
| Dividend per NCB Share (sen) | 20.75 | 16.16 | - |

INFORMATION ON OUR COMPANY (Cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of NCB Group based on the audited consolidated financial statements as at 31 December 2021 and 31 December 2022 are as follows:

| | Audited as at 31 December | |
|--|--------------------------------|-------------------------|
| | 2021 (RM'000) (Restated) | 2022 (RM'000) |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 669,415 | 725,685 |
| Right-of-use assets | 353,471 | 329,998 |
| Concession assets | 1,476,095 | 1,725,380 |
| Investment property | 972 | 949 |
| Intangible assets | 6,788 | 7,736 |
| Investment in an associate | 11,397 | 12,508 |
| Investment in joint venture | 143,895 | 153,653 |
| Long term receivables | 4,386 | 5,925 |
| Deferred tax assets | 2,810 | 3,904 |
| | <u>2,669,229</u> | <u>2,965,738</u> |
| Current assets | | |
| Inventories | 223 | 378 |
| Trade and other receivables | 119,945 | 119,831 |
| Tax recoverable | 7,625 | 12,982 |
| Other investments | 444,251 | 289,130 |
| Cash and bank balances | 70,477 | 229,558 |
| | <u>642,521</u> | <u>651,879</u> |
| Assets held for sale | 6,129 | 4,919 |
| | <u>648,650</u> | <u>656,798</u> |
| TOTAL ASSETS | <u>3,317,879</u> | <u>3,622,536</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of parent | | |
| Share capital | 470,558 | 470,558 |
| RCPS | 2,638 | 2,638 |
| Hedging reserve | - | (1,336) |
| Retained earnings | 657,877 | 813,004 |
| | <u>1,131,073</u> | <u>1,284,864</u> |
| TOTAL EQUITY | <u>1,131,073</u> | <u>1,284,864</u> |
| Non-current liabilities | | |
| Lease liabilities | 115,021 | 104,865 |
| Concession liabilities | 1,219,293 | 1,377,000 |
| Deferred income | 62,298 | 59,320 |
| Deferred tax liabilities | 5,896 | 36 |
| Borrowings | 350,000 | 359,866 |
| | <u>1,752,508</u> | <u>1,901,087</u> |
| Current liabilities | | |
| Trade and other payables | 221,602 | 250,550 |
| Deferred income | 2,978 | 2,978 |
| Borrowings | 100,000 | - |
| Concession liabilities | 61,279 | 153,509 |
| Lease liabilities | 22,885 | 24,385 |
| Income tax payable | 25,554 | 3,827 |
| Derivative financial liabilities | - | 1,336 |
| | <u>434,298</u> | <u>436,585</u> |
| TOTAL LIABILITIES | <u>2,186,806</u> | <u>2,337,672</u> |
| TOTAL EQUITY AND LIABILITIES | <u>3,317,879</u> | <u>3,622,536</u> |

INFORMATION ON OUR COMPANY (Cont'd)

| | Audited as at 31 December | |
|-------------------------|----------------------------------|-----------------|
| | 2021 | 2022 |
| | (RM'000) | (RM'000) |
| | (Restated) | |
| No of NCB Shares ('000) | 470,253 | 470,253 |
| NA per NCB Share (RM) | 2.41 | 2.73 |

8. MATERIAL CHANGES IN FINANCIAL POSITION AND PROSPECTS

As at the LPD, there are no known material changes within the knowledge of our Board, the Offeror and the Ultimate Offeror, in the financial position or prospects of our Group since the date of our last audited financial statements were laid before our Company's shareholders at its annual general meeting held on 23 June 2023.

9. ACCOUNTING POLICIES

The audited consolidated financial statements of NCB for the past three (3) FYE 31 December 2020 to 31 December 2022 have been prepared based on approved Malaysian accounting standards and there was no audit qualification on NCB's audited consolidated financial statements for the respective years under review.

During the FYE 2022, our Group had reassessed the application of IC12 'Service Concession Arrangements' on the port operations. The classification of certain items within revenue, costs, property, plant and equipment, right-of-use assets, lease liabilities were revised following the reassessment of the application of IC12 'Service Concession Arrangements' on the port operations. Arising from the reassessment, our Group had made the following reclassification to better reflect the nature and use of the said assets and liabilities, in line with the application of IC 12 'Service Concession Arrangements':

- (i) port infrastructures previously under property, plant and equipment is now reclassified to concession assets; and
- (ii) land lease rental previously under right-of-use assets and lease liabilities is now reclassified to concession assets and concession liabilities respectively.

The comparative figures have also been adjusted accordingly.

Please refer to Note 40 of the audited financial statements of NCB for the FYE 31 December 2022 for further details on the restatement of other receivables to long term receivables, reassessment of application of IC Interpretation 12 'Service Concession Arrangements' and restatement of investment in joint venture.

10. BORROWINGS

As at 31 July 2023, which is not more than three (3) months preceding the LPD, our Group has a total outstanding borrowings of approximately RM366.31 million, as follows:

| | RM'000 |
|-------------------------|----------------|
| Unsecured | 366,310 |
| Secured | - |
| Total borrowings | 366,310 |

INFORMATION ON OUR COMPANY *(Cont'd)*

11. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**11.1 Material commitments**

Save as disclosed below, as at 31 July 2023, which is not more than three (3) months preceding the LPD, there are no commitments contracted or known to be contracted by our Group which may have a material impact on the profits or NA of our Group:

| | <u>RM'000</u> |
|---|----------------|
| Authorised and contracted for: | |
| Property, plant and equipment, right-of-use and concession assets | <u>144,857</u> |

11.2 Contingent liabilities

As at 31 July 2023, which is not more than three (3) months preceding the LPD, there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial position of our Group.

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DISCLOSURE OF INTERESTS AND DEALINGS IN NCB SHARES

1. DISCLOSURE OF INTEREST IN NCB SHARES

There is only one (1) class of shares in our Company, being the ordinary shares.

1.1 By the Offeror

Save as disclosed below, the Offeror does not have any other interest, whether direct or indirect, in our Company as at the LPD:

| Name | Direct | | Indirect | |
|-------------|--------------------------|-------------|--------------------------|-------------|
| | No. of NCB Shares | (1)% | No. of NCB Shares | (1)% |
| MMC Port | 466,293,554 | 99.16 | - | - |

Note:

(1) Based on 470,252,708 NCB Shares as at the LPD.

1.2 By the directors of the Offeror

None of the directors of the Offeror has any interest, direct or indirect, in NCB Shares as at the LPD.

1.3 By the Ultimate Offeror

Save as disclosed below, the Ultimate Offeror does not have any interest, whether direct or indirect, in our Company as at the LPD:

| Name | Direct | | Indirect | |
|-------------|--------------------------|-------------|----------------------------|-------------|
| | No. of NCB Shares | (1)% | No. of NCB Shares | (1)% |
| MMC | - | - | ⁽²⁾ 466,293,554 | 99.16 |

Notes:

(1) Based on 470,252,708 NCB Shares as at the LPD.

(2) Deemed interested by virtue of its interest in MMC Port pursuant to section 8 of the Act.

1.4 By the directors of the Ultimate Offeror

None of the directors of the Ultimate Offeror has any interest, direct or indirect, in NCB Shares as at the LPD.

1.5 By the PACs

There are no PACs who have any interest, whether direct or indirect, in our Company as at the LPD.

1.6 By persons who have irrevocably undertaken to vote in favour of or against the Proposed SCR

As at the LPD, there is no irrevocable undertaking received by the Offeror, the Ultimate Offeror or their PACs from any of the Entitled Shareholders to vote in favour of or against the Special Resolution to be tabled at the forthcoming EGM.

DISCLOSURE OF INTERESTS AND DEALINGS IN NCB SHARES (Cont'd)

1.7 By persons who have any arrangement with the Offeror, the Ultimate Offeror or their PACs

As at the LPD, there is no person with whom the Offeror, the Ultimate Offeror or their PACs 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 NCB Shares which may be an inducement to deal or to refrain from dealing.

1.8 Borrowing or lending of NCB Shares by the Offeror, the Ultimate Offeror or their PACs

As at the LPD, there is no NCB Share being borrowed by the Offeror, the Ultimate Offeror or their PACs from another person or lent by the Offeror, the Ultimate Offeror or their PACs to another person.

2. DEALINGS IN NCB SHARES**2.1 By our Company and its Directors**

Our Company and its Directors have not dealt in NCB Shares during the period commencing six (6) months prior to 24 August 2023, being the date of the SCR Offer Letter, and up to the LPD.

2.2 By the Offeror, the Ultimate Offeror and the directors of the Offeror

The Offeror, the Ultimate Offeror and the directors of the Offeror have not dealt in NCB Shares during the period commencing six (6) months prior to 24 August 2023, being the date of the SCR Offer Letter, and up to the LPD.

2.3 By the PACs

There are no PACs who have dealt in NCB Shares during the period commencing six (6) months prior to 24 August 2023, being the date of the SCR Offer Letter, and up to the LPD.

3. GENERAL DISCLOSURES

- (i) As at the LPD, there is no agreement, arrangement or understanding for any payment or other benefit which will be made or given to any of the Directors of our Company as compensation for loss of office or otherwise in connection with the Proposed SCR.
- (ii) As at the LPD, save as disclosed in Section 10 of **Part A** of this Document, there is no agreement, arrangement or understanding that exists between the Offeror, the Ultimate Offeror or their PACs and any of the Directors or recent Directors of our Company (being a person who was, during the period of six (6) months prior to 24 August 2023, being the date of the SCR Offer Letter, a Director of our Company), holders of voting shares or voting rights or recent holders of voting shares or voting rights of our Company (being a person who was, during the period of six (6) months prior to 24 August 2023, being the date of the SCR Offer Letter, a holder of voting shares or voting rights of our Company) having any connection with or dependence upon the Proposed SCR.
- (iii) As at the LPD, there is no agreement, arrangement or understanding entered into by the Offeror, the Ultimate Offeror or their PACs whereby any NCB Shares held by the Offeror, the Ultimate Offeror or their PACs upon completion of the Proposed SCR will be transferred to any other person(s).

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Document has been seen and approved by our Board who collectively and individually accepts full responsibility for the accuracy of the information contained in this Document and confirm, that after having made all reasonable enquiries and to the best of their knowledge and belief that:

- (i) they have taken reasonable care to ensure the facts stated and opinions expressed herein are fair and accurate and have been arrived at after due and careful consideration and that no material facts have been omitted;
- (ii) there are no false or misleading statements and/or information in this Document; and
- (iii) there are no other facts and/or information not contained in this Document, the omission of which would make any statement or information in this Document false or misleading.

All statements and information in relation to the Offeror, the Ultimate Offeror and their PACs as disclosed in this Document were provided by the Offeror and/or obtained from publicly available sources. Any statement or information concerning the Offeror, the Ultimate Offeror and their PACs as disclosed in this Document have been confirmed by them, respectively. The responsibility of our Board is limited to ensuring that such information relating to the Offeror, the Ultimate Offeror and their PACs is accurately reproduced in this Document.

In respect of the IAL, the responsibility of our Board is limited to ensuring that all relevant information in relation to the NCB Group that is provided to Alliance Islamic Bank for its evaluation of the Proposed SCR is accurate and that no material facts have been omitted, the omission of which would make any information provided to Alliance Islamic Bank false or misleading.

2. CONSENT AND CONFLICT OF INTERESTS**2.1 RHB Investment Bank**

RHB Investment Bank, being the Principal Adviser for the Proposed SCR, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

RHB Investment Bank has also been appointed as the principal adviser to MMC Port for the Proposed SCR. The Board is fully informed of and is aware of RHB Investment Bank's capacity as the Principal Adviser to NCB and the principal adviser to MMC Port.

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad, and the subsidiaries and associated companies of RHB Bank Berhad ("**RHB Banking Group**") forms a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service in its ordinary course of business with the NCB Group. RHB Banking Group has engaged and may in the future engage in transactions with and perform services for the Company and/or its affiliates as well as the Offeror and Ultimate Offeror and their affiliates, in addition to the roles set out in **Part A** of this Document. RHB Banking Group, its directors and major shareholders may from time to time hold or deal in the securities of the Company and/or its affiliates for their own accounts or their proprietary accounts.

In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer or provide its services to or engage in any transaction (whether on its own account or otherwise) with the Company and/or its affiliates as well as the Offeror and Ultimate Offeror and their affiliates, hold long or short positions in securities offered by the Company and/or its affiliates, make investment recommendations and/ or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of the Company and/or its affiliates.

ADDITIONAL INFORMATION *(Cont'd)*

The business divisions of RHB Banking Group generally act independently of each other, and accordingly, there may be situations where divisions of RHB Banking Group and/or its customers, may currently, or in future have interest or take actions that may conflict with the aforesaid interest. Nevertheless, RHB Banking Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, amongst others, segregation between dealing and advisory activities and Chinese Wall between different business divisions.

As at the LPD, RHB Banking Group holds debt securities of the MMC Group and had extended credit facilities to the MMC Group amounting to approximately RM319.0 million (which includes the holding of debt securities of the NCB Group of RM10.0 million). The holding of these debt securities and the extension of the credit facilities are in the ordinary course of business of the RHB Banking Group.

Notwithstanding the above, RHB Investment Bank is of the opinion that the abovementioned do not give rise to any potential conflict of interest that exists or is likely to exist in its capacity as Principal Adviser for the Proposed SCR due to the following:

- (i) the total credit facilities and holding of debt securities of RM319.0 million with the MMC Group (which includes the holding of debt securities of the NCB Group of RM10.0 million) which represents 1.11% of the audited NA of RHB Banking Group as at 31 December 2022 of approximately RM28.7 billion, was provided by RHB Banking Group on an arms' length basis and in its ordinary course of business;
- (ii) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser is in the ordinary course of business and RHB Investment Bank does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Principal Adviser for the Proposed SCR;
- (iii) the Corporate Finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, amongst others, the establishment of Chinese Wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations;
- (iv) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the CMSA and RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees; and
- (v) the Board (save for the Interested Directors), had appointed Alliance Islamic Bank as the Independent Adviser to provide comments, opinion, information and recommendation to the Board (save for the Interested Directors) and to the Entitled Shareholders in respect of the Proposed SCR.

As at the LPD, RHB Investment Bank confirms that there are no circumstances that would give rise to a conflict of interest in its capacity as the Principal Adviser to NCB for the Proposed SCR.

2.2 Alliance Islamic Bank

Alliance Islamic Bank, being the Independent Adviser for the Proposed SCR, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

Alliance Islamic Bank is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Independent Adviser for the Proposed SCR.

ADDITIONAL INFORMATION *(Cont'd)*

2.3 Knight Frank Malaysia Sdn Bhd

Knight Frank Malaysia Sdn Bhd, being the independent valuer for the selected properties of our Group, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

Knight Frank Malaysia Sdn Bhd is not aware of any conflict of interest that exists or is likely to exist in its capacity as the independent valuer for the selected properties of the Group in relation to the Proposed SCR.

2.4 CBRE WTW Valuation & Advisory Sdn Bhd

CBRE WTW Valuation & Advisory Sdn Bhd, being the independent valuer for the selected properties held by our Group, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

CBRE WTW Valuation & Advisory Sdn Bhd is not aware of any conflict of interest that exists or is likely to exist in its capacity as the independent valuer for the selected properties of the Group in relation to the Proposed SCR.

3. MATERIAL CONTRACTS

Our Group has not entered into any other material contracts (not being a contract entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of the SCR Offer Letter and up to the LPD.

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business of our Group and our Board is not aware of any proceedings, pending or threatened against our Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during office hours from Mondays to Fridays (except public holidays) at the registered office of our Company at Ground Floor, Wisma Budiman, Persiaran Raja Chulan, 50200 Kuala Lumpur from the date of this Document up to and including the date of the forthcoming EGM:

- (i) the Constitution of our Company;
- (ii) the audited consolidated financial statements of our Company for the past three (3) FYE 31 December 2020 to 31 December 2022, the unaudited consolidated financial statements of our Company for the six (6)-month financial period ended 30 June 2023 and the audited consolidated financial statements of MMC Port and MMC for the FYE 31 December 2022;
- (iii) the SCR Offer Letter;
- (iv) the valuation reports in relation to the selected properties of our Group as referred to in **Part B** of this Document; and
- (v) the letters of consent referred in Section 2 of this Appendix VI.



NCB HOLDINGS

A Member of  **MMC Group**

NCB HOLDINGS BHD

(Registration No. 199901000321 (475221-K))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of NCB Holdings Bhd (“**NCB**” or “**Company**”) will be held at CBM Hall, Ground Floor, Northport Building C, Northport (Malaysia) Bhd, Jalan Pelabuhan, Pelabuhan Utara, 42000 Port Klang, Selangor Darul Ehsan, Malaysia on Wednesday, 15 November 2023 at 10.00 a.m., for the purpose of considering and if thought fit, passing the following resolution:

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF NCB PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 (“ACT”) (“PROPOSED SCR”)

THAT, subject to the approvals and consents obtained from all relevant authorities and parties, as well as the confirmation from the High Court of Malaya (“**High Court**”) for the reduction of the issued share capital of NCB in accordance with section 116 of the Act, approval be and is hereby given for the Company to undertake and effect the Proposed SCR in the following manner:

- (a) the share capital of the Company shall be reduced from RM470,557,708.00 comprising 470,252,708 ordinary shares of NCB (“**NCB Shares**”) to RM451,553,768.80 comprising 466,293,554 NCB Shares by way of cancelling a total of 3,959,154 NCB Shares held by all the shareholders of our Company (other than MMC Port Holdings Sdn Bhd, MMC Corporation Berhad and persons acting in concert with them, where applicable (“**Non-Entitled Shareholder(s)**”)) whose names appear in the Record of Depositors of NCB on an entitlement date to be determined and announced later by the Board of Directors of NCB (“**Board**”) in respect of the Proposed SCR (“**Entitlement Date**”) (“**Entitled Shareholders**”); and
- (b) thereafter, the reduction of RM19,003,939.20 of the Company’s share capital in the manner as set out above shall be effected by the capital repayment of RM19,003,939.20 in cash, which represents a cash amount of RM4.80 for each NCB Share held by the Entitled Shareholders on the Entitlement Date. In conjunction therewith, the Non-Entitled Shareholder(s) will waive its/their entitlements to be repaid under the Proposed SCR.

AND THAT pursuant to the Proposed SCR, the Board be and is hereby authorised to take all such steps as it may deem necessary in connection with the Proposed SCR, including:

- (a) to determine the Entitlement Date on which the names of the Entitled Shareholders must be registered in the Record of Depositors of the Company in order to be entitled to the capital repayment under the Proposed SCR;
- (b) to assent to any term(s), condition(s), stipulation(s), modification(s), variation(s) and/or amendment(s) as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as a consequence of any requirement(s) imposed by the relevant authorities and/or by the Registrar of Companies and/or as may be required to comply with any applicable law, in relation to the Proposed SCR;
- (c) to lodge the required documents, including an office copy of the order of the High Court with the Registrar of Companies on such date as the Board may determine;

- (d) subject to the confirmation of the order of the High Court being granted pursuant to section 116 of the Act with regard to the Proposed SCR, to effect the capital repayment of RM4.80 in cash for each NCB Share held by the Entitled Shareholders on the Entitlement Date; and
- (e) to do all such acts, deeds and/or things incidental, and/or as may be required and/or as considered necessary and/or expedient and/or in the best interests of the Company, and to take such steps, execute such documents and enter into any arrangements, undertakings and/or agreements with any party or parties as the Board may deem fit, necessary, expedient and/or appropriate in order to implement, finalise, complete and to give full effect to the Proposed SCR.

BY ORDER OF THE BOARD

Sazlin Ayesha binti Abdul Samat

(LS0008112)

SSM Practicing Certificate No. 201908000994

Sharifah Ashtura Jamalullail binti Syed Osman

(LS0009113)

SSM Practicing Certificate No. 201908001128

Zaidatul Neezma binti Zainal Abidin

(MACS 01677)

SSM Practicing Certificate No. 202208000740

Company Secretaries

Kuala Lumpur

24 October 2023

Notes:

- (1) *A member who is entitled to participate and vote at the EGM is entitled to appoint a proxy or proxies or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.*
- (2) *A member of the Company who is entitled to participate and vote at the EGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the EGM.*
- (3) *Where a member appoints more than one (1) proxy, the proportions of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
- (4) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under seal or under the hand of an officer or attorney duly authorised. The appointment of a proxy may be made in hard copy or by electronic form. The duly executed Proxy Form must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or electronically via email at bsr.helpdesk@boardroomlimited.com or through Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com> not less than twenty-four (24) hours before the time fixed for holding the EGM. The procedures for members to lodge electronic Proxy Form via the BSIP are provided in the Administrative Details for the EGM.*
- (5) *The last date and time for lodging the Proxy Form is Tuesday, 14 November 2023, at 10.00 a.m..*
- (6) *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or by electronic means through BSIP, not less than twenty-four (24) hours before the time fixed for holding the EGM or at any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
- (7) *For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment should be executed in the following manner:*
- (i) *If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.*
- (ii) *If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:*
- (a) *at least two (2) authorised officers, of whom one (1) shall be a director; or*
- (b) *any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*

ADMINISTRATIVE DETAILS FOR THE EXTRAORDINARY GENERAL MEETING (“EGM”)

Administrative details for the EGM of NCB Holdings Bhd to be held at CBM Hall, Ground Floor, Northport Building C, Northport (Malaysia) Bhd, Jalan Pelabuhan, Pelabuhan Utara, 42000 Port Klang, Selangor Darul Ehsan, Malaysia on Wednesday, 15 November 2023 at 10.00 a.m..

PARKING

Parking for shareholders/proxy(ies) is available at the designated parking bays at the Northport Building C.

REGISTRATION

- The registration will start at 8.30 a.m. and registration counters will remain open until the conclusion of the EGM or such time as determined by the Chairman of the Meeting.
- Directional signages are placed in conspicuous areas to direct you to the EGM’s registration counter.
- Please produce the **ORIGINAL** MyKad / passport during the registration for verification and ensure that you collect your MyKad / passport thereafter.
- You will be given an identification tag upon verification and registration. No person will be allowed to enter the hall without the identification tag.

RECORD OF DEPOSITORS FOR ATTENDANCE AT EGM

For the purpose of determining members who shall be entitled to participate in the EGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as of 8 November 2023. Only members whose names appear on the Record of Depositors as at 8 November 2023 shall be eligible to participate at the EGM or appoint proxies to participate and/or vote on their behalf.

PROXY

- A member of the Company who is entitled to participate and vote at the EGM is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to participate and vote at the EGM on his/her behalf. If you are unable to participate in the EGM, you are encouraged to appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form.
- Please ensure that the duly completed Proxy Form is deposited at the Company’s Share Registrar, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than twenty-four (24) hours before the time fixed for holding the EGM or any adjournment thereof, i.e. latest by Tuesday, 14 November 2023 at 10.00 a.m..
- Alternatively, you may deposit your Proxy Form by electronic means through email at bsr.helpdesk@boardroomlimited.com or Boardroom Smart Investor Portal (“**BSIP**”) not less than twenty-four (24) hours before the time fixed for holding the EGM or any adjournment thereof. Kindly refer to the procedures for Electronic Lodgement of Proxy Form below:

Step 1 – Register Online with Boardroom Smart Investor Portal (for first-time registration only)

(Note: If you have already signed up with the Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 on e-Proxy Lodgement)

- (a) Access to the BSIP website at <https://investor.boardroomlimited.com>
- (b) Click <<**Register**>> to sign up as a user. Registration is free.
- (c) Please select the correct account type, i.e. sign up as “Shareholder/ Unitholder” or “Corporate Holder”.
- (d) Complete registration and upload a softcopy of your MyKad (front and back) or Passport. For Corporate Holder, kindly upload the authorisation letter. Click “Sign Up”.
- (e) Please enter a valid email address and wait for Boardroom’s email verification. Once your email address is verified, you will be re-directed to BSIP Online for verification of mobile number. Click on “Request OTP Code”, and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click “Enter” to complete the process.
- (f) Your registration will be verified and approved within one (1) business day, and an email notification will be provided.

Step 2 – e-Proxy Lodgement

- (a) Login to <https://investor.boardroomlimited.com> using your user ID (i.e. email address) and password.
- (b) Go to “MEETING EVENT” and browse the Meeting List for “NCB HOLDINGS BHD” and click “APPLY”.
- (c) Read the terms & conditions and confirm the Declaration.
- (d) Enter the CDS account number and the total number of securities held.
- (e) Select your proxy – either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
- (f) Indicate your voting instructions – FOR or AGAINST, otherwise, your proxy(ies) will decide your vote.
- (g) Review and confirm your proxy(ies) appointment.
- (h) Click submit.
- (i) Download or print the e-Proxy form acknowledgement.

REVOCAION OF PROXY

- If you have submitted your Proxy Form and subsequently decide to participate in the EGM personally, please write to bsr.helpdesk@boardroomlimited.com to revoke the earlier submitted Proxy Form not less than twenty-four hours before the time fixed for the holding of the EGM or any adjournment thereof. Upon revocation, your proxy(ies) will not be allowed to participate in the EGM. In such event, kindly advise your proxy(ies) accordingly.

VOTING PROCEDURE

The voting at the EGM will be conducted by poll. The Poll Administrator will brief you on the e-polling procedures at the EGM. The Company has appointed Boardroom Share Registrars Sdn Bhd as the Poll Administrator to conduct the poll and as the scrutineers to verify the poll results.

RECORDING OR PHOTOGRAPHY

No recording or photography of the EGM proceedings is allowed without the Company's prior written permission.

ENQUIRY

Should you have any enquiry prior to the EGM or if you wish to request technical assistance to participate in the EGM, please contact Boardroom Share Registrars Sdn Bhd during office hours (9.00 a.m. to 5.30 p.m.) as follows:

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony

No. 5, Jalan Professor Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

Malaysia

General Line : +603 7890 4700 (Helpdesk)

Contact person : +603 7890 4748 (Cik Aida Sophea Abdul Rahim)

Email : bsr.helpdesk@boardroomlimited.com

PERSONAL DATA

By registering for the electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents) and to comply with any laws, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



NCB HOLDINGS

A Member of  **MMC Group**

NCB HOLDINGS BHD

(Registration No. 199901000321 (475221-K))
(Incorporated in Malaysia)

| | |
|-------------------------------|--|
| No. of Ordinary Share(s) held | |
| CDS Account No. | |

PROXY FORM

I/We, _____
(FULL NAME OF SHAREHOLDERS AS PER MYKAD/PASSPORT/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)
_____ of _____
(MYKAD NO./PASSPORT NO./COMPANY NO.) (FULL ADDRESS)

being a member/members of NCB Holdings Bhd hereby appoint:

| | | | |
|-----------------------------|--------------------|---------------|----------------|
| Name of Proxy 1 (Full Name) | MyKad/Passport No. | No. of Shares | Percentage (%) |
| Address | Email Address | Contact No. | |

*and/or failing him/her

| | | | |
|-----------------------------|--------------------|---------------|----------------|
| Name of Proxy 2 (Full Name) | MyKad/Passport No. | No. of Shares | Percentage (%) |
| Address | Email Address | Contact No. | |

or failing him/her, the **Chairman of the Meeting as *my/our proxy to attend, participate, speak and vote for *me/us and on *my/our behalf at the Extraordinary General Meeting (“**EGM**”) of the Company to be held on Wednesday, 15 November 2023 at 10.00 a.m., and/or at any adjournment thereof, on the following resolution referred in the notice of the EGM:

(Please indicate “X” in the appropriate box as to how you wish your proxy/proxies to vote)

| RESOLUTION | FOR | AGAINST |
|----------------------------------|-----|---------|
| Special Resolution: Proposed SCR | | |

* Strike out whichever is inapplicable.

** If you do not wish to appoint the Chairman of the Meeting as your proxy/one (1) of your proxies, please strike out the words “the Chairman of the Meeting” and insert the name(s) of the proxy/proxies you wish to appoint in the table provided above.

Dated this _____ day of _____ 2023

Signature/Common Seal of Shareholder



Notes:

- (1) A member who is entitled to participate and vote at the EGM is entitled to appoint a proxy or proxies or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.
- (2) A member of the Company who is entitled to participate and vote at the EGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the EGM.
- (3) Where a member appoints more than one (1) proxy, the proportions of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (4) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under seal or under the hand of an officer or attorney duly authorised. The appointment of a proxy may be made in hard copy or by electronic form. The duly executed Proxy Form must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or electronically via email at bsr.helpdesk@boardroomlimited.com or through Boardroom Smart Investor Portal ("**BSIP**") at <https://investor.boardroomlimited.com> not less than twenty-four (24) hours before the time fixed for holding the EGM. The procedures for members to lodge electronic Proxy Form via the BSIP are provided in the Administrative Details for the EGM.
- (5) The last date and time for lodging the Proxy Form is Tuesday, 14 November 2023, at 10.00 a.m..
- (6) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or by electronic means through BSIP, not less than twenty-four (24) hours before the time fixed for holding the EGM or at any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (7) For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one (1) shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

To: **THE REGISTRAR**
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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