

Investment Bank

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KUB MALAYSIA BERHAD (“KUB” OR “COMPANY”)

- (I) PROPOSED ACQUISITION OF 45,924,632 ORDINARY SHARES IN CENTRAL CABLES BERHAD (“CCB”) (“ACQUISITION SHARES”), REPRESENTING APPROXIMATELY 86.65% EQUITY INTEREST IN CCB, BY KUB FROM JAG CAPITAL HOLDINGS SDN BHD (“JAG” OR “VENDOR”) FOR A PURCHASE CONSIDERATION OF RM119.42 MILLION TO BE SATISFIED WHOLLY VIA THE ISSUANCE OF 199,035,059 NEW REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN KUB (“RCPS”) AT AN ISSUE PRICE OF RM0.60 PER RCPS (“PROPOSED ACQUISITION”); AND
- (II) PROPOSED MANDATORY GENERAL OFFER BY KUB FOR ALL THE REMAINING ORDINARY SHARES IN CCB NOT ALREADY OWNED BY KUB AFTER THE PROPOSED ACQUISITION PURSUANT TO PARAGRAPH 4.01(A) OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS OF THE SECURITIES COMMISSION MALAYSIA (“PROPOSED CCB MGO”)

(COLLECTIVELY REFERRED TO AS “PROPOSALS”)

Reference is made to the press notices by KUB in relation to the Proposals dated 28 November 2023 (“First Press Notice”) and 4 December 2023 (collectively, “Previous Press Notices”). All definitions used herein shall have the same meaning as those defined in the Previous Press Notices.

On behalf of KUB, Maybank IB wishes to announce that KUB and JAG have today entered into a supplemental agreement to vary the mode of settlement for the Purchase Consideration (“**Proposed Revision**”). The Proposed Revision entails varying the mode of settlement of the Purchase Consideration from the issuance of 199,035,059 Consideration Shares at an issue price of RM0.60 per Consideration Share to the issuance of 199,035,059 new RCPS at an issue price of RM0.60 per RCPS.

As a consequence, the Proposed Revision will result in a variation to the nature of consideration of the Proposed CCB MGO such that the CCB Offer Price will now be satisfied via:

- (i) wholly cash consideration of RM2.60037 per CCB Offer Share where fractions of a sen will be rounded up to the nearest whole sen; or
- (ii) RCPS consideration based on an exchange ratio of 4.33395 new RCPS to be issued for every one (1) CCB Offer Share surrendered where fractions of a RCPS will be rounded down to the nearest whole RCPS and KUB will pay the holders of the CCB Offer Shares cash (rounded up to the nearest whole sen) for the balance fractional entitlement to the new RCPS based on the issue price of RM0.60 per RCPS.

The salient terms of the RCPS are set out in the **Appendix** of this Press Notice.

Save for the variation to the nature of consideration of the Proposed CCB MGO, all other terms and conditions of the Proposed CCB MGO as set out in the Previous Press Notice remained unchanged.

For the avoidance of doubt, the completion of the SPA is subject to fulfilment of conditions precedent as set out in the SPA. Therefore, there is no certainty that the Proposed CCB MGO will materialise. In the event the SPA does not become unconditional or is terminated, KUB will not extend the Proposed CCB MGO.

Yours faithfully
for and on behalf of
Maybank Investment Bank Berhad



Hidayah Hassan
Managing Director
Co-Head, Corporate Finance & Advisory



Suren Raj Nadarajah
Director
Corporate Finance

APPENDIX: SALIENT TERMS OF THE RCPS

Issuer	:	KUB
Issue Size	:	Up to 229,699,350 RCPS (comprising 199,035,059 pursuant to the Proposed Acquisition and 30,664,291 pursuant to the Proposed CCB MGO).
Issue Price	:	RM0.60 per RCPS
Tenure	:	5 years commencing from the Issue Date up to the Maturity Date (both dates inclusive).
Maturity Date	:	The business day immediately before the 5 th anniversary of the Issue Date.
Issue Date	:	Date of issuance of the RCPS
Preferential Dividend	:	<p>The RCPS shall rank equally (and not in priority) with existing KUB Shares insofar as the right to receive dividends is concerned.</p> <p>As and when dividends (including any special dividends) are declared by the board of directors of KUB in respect of the KUB Shares, each RCPS shall also carry the right to receive such dividends (non-cumulative) declared in respect of one (1) KUB Share, subject however to any adjustment to the Conversion Ratio, provided that the consolidated profit after taxation of CCB for the financial year preceding the declaration of the preferential dividend as shown in CCB's audited consolidated financial statements for that financial year is higher than the amount of preferential dividend to be declared.</p>
Conversion Mode	:	The conversion of the RCPS will not require any cash payment from the RCPS holders. The RCPS holders shall, upon conversion, surrender the requisite number of RCPS for cancellation by KUB.
Conversion Period	:	<p>At any time from the Issue Date up to the Maturity Date (both dates included) at the option of the RCPS holders.</p> <p>Within eight (8) market days from the date of receipt by KUB of a duly completed and signed conversion notice or such other period as may be prescribed or allowed by Bursa Securities or under any applicable laws and regulations, KUB shall:</p> <p>(i) allot and issue such number of new KUB Shares to which the RCPS holder is entitled to receive arising from the exercise of the Conversion Rights and cause the securities account of the said RCPS holder to be credited with such number of new KUB Shares; and</p> <p>(ii) dispatch a copy of the notice of allotment to the relevant RCPS holder in respect of the new KUB Shares to be credited into the securities account of the RCPS holder.</p>
Conversion Rights	:	The RCPS shall be convertible at the option of the RCPS holders at any time during the Conversion Period into such number of KUB Shares as is determined based on the Conversion Ratio.

Conversion Ratio	:	<p>The Conversion Ratio is one (1) RCPS for one (1) new KUB Share, subject to adjustments in the event of any alteration to the share capital of KUB.</p> <p>Accordingly, based on the Issue Price and the Conversion Ratio, the effective conversion price of each of the RCPS is RM0.60 for each new KUB Share.</p>
Rights to receive notices, reports and attend meetings and voting rights	:	<p>The RCPS holders shall be entitled to the same rights as the ordinary shareholders of KUB with regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of KUB, save and except in respect of any resolution made:</p> <ul style="list-style-type: none"> (i) on a proposal to reduce KUB's share capital; (ii) on a proposal for the disposal of substantially the whole of the KUB's property, business and undertaking; (iii) on a proposal to wind up KUB; (iv) during the winding up of KUB; or (v) on any proposal that affects the rights and privileges attached to the RCPS, including the amendments to KUB's Constitution. <p>In any of the aforesaid circumstances, each RCPS holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings, be entitled to one (1) vote for each RCPS held.</p>
Mandatory conversion on Maturity Date	:	<p>Unless previously redeemed or converted, all outstanding RCPS will be mandatorily converted into new KUB Shares on the Maturity Date based on the Conversion Ratio.</p>
Redemption period	:	<p>The period from and including the Issue Date up to 5.00 p.m. on the business day immediately before the Maturity Date.</p>
Redemption	:	<p>KUB may, subject to and in accordance with Section 72 of the Companies Act 2016, at any time during the Redemption Period, redeem the RCPS in whole or part thereof the outstanding RCPS held by such RCPS Holder, at the Issue Price in cash by giving the RCPS holders no less than twelve (12) business days' written notice prior to the date of the redemption. As such, there is no fixed redemption schedule in respect of the RCPS.</p> <p>The redemption price is equivalent to the issue price of the RCPS together with any unpaid preferential dividend up to the redemption date.</p> <p>For the avoidance of doubt, the RCPS holders shall not have the right to require KUB to redeem the RCPS.</p> <p>All RCPS which are redeemed will be cancelled and will not be reissued.</p>

Listing status	:	<p>The RCPS will not be listed, quoted or traded on Bursa Securities or any stock exchange.</p> <p>The new KUB Shares to be issued upon conversion of the RCPS shall be listed on the Main Market of Bursa Securities.</p>
Transferability	:	<p>The RCPS shall not be transferable, save and except for transfers between the holders of the RCPS, subject to the applicable laws, regulations and rules that would apply to the securities of KUB.</p>
Ranking of the RCPS	:	<p>The RCPS are unsecured and shall rank equally in all respects among themselves.</p> <p>The RCPS shall rank behind all secured and unsecured debt obligations of KUB.</p> <p>The RCPS shall rank in priority to the KUB Shares in any repayment of capital in the event of liquidation, dissolution or winding-up of KUB, provided that the RCPS shall not be entitled to participate in any surplus capital, assets or profits of KUB.</p>
Ranking of new KUB Shares to be issued upon conversion of the RCPS	:	<p>The new KUB Shares to be issued upon conversion of RCPS shall rank equally in all respects with the then existing KUB Shares, save and except that the new KUB Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, where the entitlement date is prior to the date of allotment and issuance of such new KUB Shares.</p>
Governing law	:	<p>The RCPS will be governed under the laws of Malaysia.</p>