

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

You should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately if you have any doubt about the Offer (as defined herein).

If you have sold or transferred all your Offer Shares (as defined herein), you should hand this Offer Document and the accompanying Form of Acceptance and Transfer (as defined herein) immediately to the person through whom you have effected the sale or transfer for transmission to the purchaser or transferee.

Pursuant to subparagraph 11.02(3) of the Rules on Take-overs, Mergers and Compulsory Acquisitions (“Rules”), the Securities Commission Malaysia (“SC”) has notified that it has no further comments to this Offer Document. However, such notification should not be taken to suggest that the SC recommends the Offer or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Offer Document.

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

UNCONDITIONAL MANDATORY TAKE-OVER OFFER

BY



KUB MALAYSIA BERHAD
(Registration No. 196501000205 (6022-D))
(Incorporated in Malaysia)
(“KUB” OR “OFFEROR”)

THROUGH



Investment Bank
Company Registration No. 197301002412
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

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

(TO BE REFERRED TO AS “OFFER”)

Acceptances in respect of the Offer must be received by **5.00 p.m. (Malaysian time) on 12 April 2024**, being the first closing date of the Offer (“**First Closing Date**”), or such other later date as may be announced by Maybank Investment Bank Berhad, on behalf of the Offeror, no later than 2 days before the Closing Date (as defined herein). Subject to the provisions of the Rules and the terms and conditions of this Offer Document, the Offeror may revise or extend the Offer beyond the First Closing Date. Notice of such extension or revision will be posted to you accordingly.

You should refer to **Appendix II** of this Offer Document for the procedures to accept the Offer. The Form of Acceptance and Transfer is enclosed with this Offer Document.

This Offer Document is dated 20 March 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Offer Document and the accompanying Form of Acceptance and Transfer:

Accepting Holders	: Holders who accept the Offer in accordance with the terms and conditions of this Offer Document, including any revision thereof
Acquisition	: Acquisition by the Offeror of 45,924,632 CCB Shares, representing approximately 86.65% equity interest in the Offeree, for a purchase consideration of RM119.42 million satisfied wholly via the issuance of 199,035,059 new RCPS at an issue price of RM0.60 per RCPS to JAG, in accordance with the terms and conditions of the SPA
Act	: Companies Act 2016
Agricultural Business	: Cultivation of oil palm and management of oil palm estates
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa LINK	: Bursa Securities' Listing Information Network, an electronic platform for submission of all announcements made by listed issuers on Bursa Securities
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Business Day	: A day on which banks are open for banking business in Selangor and Kuala Lumpur, not being a Saturday, Sunday or public holiday (whether or not gazetted or scheduled)
Cables Manufacturing Business	: Business of manufacturing and distribution of power cables and wires
Cash Option	: Wholly cash consideration of RM2.60037 for every one (1) Offer Share surrendered
CCB Board	: Board of Directors of CCB
CCB Shares	: Ordinary shares in CCB
CGU	: Cash generating unit
Circular	: Circular to the shareholders of the Offeror dated 6 February 2024 in relation to the Proposals
Closing Date	: (a) First Closing Date, or (b) if the Offer is revised or extended in accordance with the Rules and the terms and conditions of this Offer Document, such other extended closing date as the Offeror may decide and as may be announced by Maybank IB on behalf of the Offeror, at least 2 days before the Closing Date, as the case may be
CMSA	: Capital Markets and Services Act 2007
Competent Adviser	: FHMH Corporate Advisory Sdn Bhd (Registration No. 200701016946 (774955-D)), being the competent adviser appointed by the Offeror for purposes of complying with note 11 to paragraph 6.03 of the Rules

DEFINITIONS *(Cont'd)*

Dissenting Holders	: Holder(s) who have not accepted the Offer and/or failed or refused to transfer their Offer Shares to the Offeror in accordance with the terms and subject to the conditions of this Offer Document
Distribution	: Any dividend and/or other distribution of any nature declared, made and/or paid by the Offeree to its shareholders, on or after the date of the Notice but prior to the Closing Date
Diversification	: Diversification in operations carried out by the KUB Group pursuant to the Acquisition pursuant to Paragraph 10.13 of the Listing Requirements
DSJ	: Datuk Seri Johari Bin Abdul Ghani
DZH	: Datin Seri Zurwati Haslinda Binti Zainal Bahry
EBITDA	: Earnings before interest, tax, depreciation and amortisation
EPS	: Earnings per share
Estimated RCPS Value	: Estimated value of the RCPS as appraised by the Competent Adviser pursuant to note 11 to paragraph 6.03 of the Rules
EV	: Enterprise value
First Closing Date	: 5.00 p.m. (Malaysian time) on 12 April 2024, being 23 days from the Posting Date
Form of Acceptance and Transfer	: Form of acceptance and transfer for the Offer Shares, enclosed with this Offer Document
FPE	: Financial period ended/ending
FYE	: Financial year ended/ending
Holder(s)	: Holder(s) of the Offer Shares
Independent Advice Circular	: Independent advice circular to be issued by the Independent Adviser to the Holders in relation to the Offer in accordance with the Rules
Independent Adviser	: DWA Advisory Sdn Bhd (Registration No. 201301002419 (1032257-D)), the independent adviser appointed by the CCB Board in relation to the Offer
JAG	: JAG Capital Holdings Sdn Bhd (Registration No. 200401007748 (646252-M))
KG	: Kilogram
KUB Board	: Board of Directors of KUB
KUB MGO	: Conditional mandatory take-over offer by JAG, through Maybank IB, to acquire the KUB Offer Securities at the following offer prices, to be satisfied in cash in accordance with the terms and conditions of the KUB Offer Document: (i) offer price of RM0.60 per KUB Offer Share; and (ii) offer price of RM0.60 per KUB Offer RCPS
KUB Notice	: Written notice of the conditional voluntary take-over offer dated 8 January 2024 served on the KUB Board by Maybank IB on behalf of JAG to acquire the KUB Offer Securities

DEFINITIONS *(Cont'd)*

KUB Offer Document	: The offer document dated 29 January 2024 which sets out the details of the KUB MGO together with the form of acceptance and transfer enclosed therein
KUB Offer RCPS	: All the RCPS that may be issued to the Holders who opt for the Securities Option under the Offer prior to the closing date of the KUB MGO
KUB Offer Securities	: Collectively, the KUB Offer Shares and the KUB Offer RCPS
KUB Offer Shares	: All the remaining KUB Shares not already owned by JAG, DSJ, DZH and persons acting in concert, and such number of new KUB Shares that may be issued pursuant to the conversion of the RCPS by the Holders who opt for the Securities Option under the Offer prior to the closing date of the KUB MGO
KUB Power	: KUB Power Sdn Bhd (Registration No. 199201004834 (236338-P))
KUB Shares	: Ordinary shares in KUB
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 13 March 2024, being the latest practicable date prior to the Posting Date
LPG	: Liquefied petroleum gas
LPG Business	: The business of importation, bottling and trading of LPG
Market Day(s)	: Day(s) on which Bursa Securities is open for trading in securities
Maybank IB or Principal Adviser	: Maybank Investment Bank Berhad (Company No. 197301002412)
MGO	: Mandatory take-over offer
NA	: Net assets
NAV	: Net asset valuation
NETR	: National Energy Transition Roadmap
Non-Resident Holder(s)	: Holder(s) (including without limitation, custodians, agents, representatives, nominees and trustees) who is a citizen or national of, or resident in, or has a registered address in a jurisdiction outside Malaysia, or is incorporated or registered with, or approved by any authority outside Malaysia, or is a non-resident within the definition prescribed under the Financial Services Act 2013
Notice	: Notice of the Offer dated 28 February 2024, served on the CCB Board by Maybank IB on behalf of the Offeror
Offer	: Unconditional mandatory take-over offer by the Offeror, through Maybank IB, to acquire the Offer Shares at the Offer Price to be satisfied either via the Cash Option or the Securities Option, in accordance with the terms and conditions of this Offer Document
Offer Document	: This document dated 20 March 2024 which contains the details of the Offer together with the enclosed Form of Acceptance and Transfer

DEFINITIONS *(Cont'd)*

Offer Period	: Period commencing from 21 November 2023, being the date of the SPA pursuant to paragraph 2.01 of the Rules, until the earlier of either: (i) the Closing Date; or (ii) the date on which the Offer lapses or is withdrawn with the written consent of the SC
Offer Price	: RM2.60037 per Offer Share
Offer Share(s)	: All the remaining CCB Shares not already owned by the Offeror. As at the LPD, the Offer Shares comprise of 7,075,368 CCB Shares, representing approximately 13.35% of the total number of CCB Shares in issue
Offeree or CCB	: Central Cables Berhad (Registration No. 196701000235 (7169-A))
Offeree Group or CCB Group	: Collectively, the Offeree and its subsidiaries
Offeror or KUB	: KUB Malaysia Berhad (Registration No. 196501000205 (6022-D))
Offeror Group or KUB Group	: Collectively, the Offeror and its subsidiaries
Opinion Date	: 28 February 2024, being the opinion date used for the Valuation Letter
Other Businesses	: Other businesses comprising infrastructure solutions, supply, maintenance and ancillary services in information, communications and technology, power business, property management services, investment holding and provision of management services
PACs	: Persons acting in concert with the Offeror in relation to the Offer as at the LPD in accordance with subsections 216(2) and 216(3) of the CMSA
PAT	: Profit after tax
PB	: Price-to-book
Posting Date	: 20 March 2024, being the date of posting of this Offer Document
Power Business	: General building works and civil engineering services within the power industry, including substation and transmission line, construction, supply and installation of electrical infrastructure, and electrical maintenance contracts
Proposals	: Collectively, the Acquisition, the Diversification, the amendment to the constitution of KUB and the Offer
Purchase Consideration	: Being RM119.42 million in relation to the Acquisition
RCPS	: Redeemable convertible preference shares in the Offeror
Registrar for the Offer	: Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D)), being the share registrar for the Offer, to whom acceptances of the Offer should be forwarded and whose address and contact details are set out in Appendix II of this Offer Document
Relevant Day	: The Market Day following the day on which the Offer is due to close, or is revised or extended, as the case may be

DEFINITIONS *(Cont'd)*

Restricted Jurisdiction	: Any jurisdiction(s) where the extension or acceptance of the Offer or where the sending or making available information concerning the Offer to the Holders in such jurisdiction would or might be in contravention of local laws or regulations in that jurisdiction
Rules	: Rules on Take-overs, Mergers and Compulsory Acquisitions of the SC
RVA	: Relative valuation analysis
SC	: Securities Commission Malaysia
Securities Option	: New RCPS based on an exchange ratio of 4.33395 new RCPS issued at an issue price of RM0.60 per RCPS for every one (1) Offer Share surrendered
Settlement Revision	: Variation of the mode of settlement of the Purchase Consideration from the issuance of the new KUB Shares at an issue price of RM0.60 per KUB Share to the issuance of 199,035,059 new RCPS at an issue price of RM0.60 per RCPS
Solar Gas	: Solar Gas Sdn Bhd (Registration No. 196901000777 (0009189U))
SOPV	: Sum of parts valuation
SPA	: Conditional sale and purchase agreement in relation to the Acquisition between the Offeror and JAG dated 21 November 2023, as supplemented by the Supplemental SPA
Supplemental SPA	: Supplemental agreement to the SPA to effect the Settlement Revision between the Offeror and JAG dated 8 January 2024
Ultimate Offerors for the KUB MGO	: Collectively, DSJ and DZH
Undertakings	: Irrevocable undertakings provided by Amir Nashrin Bin Johari and Amir Rasyidi Bin Johari dated 28 February 2024 to accept the Offer in respect of one (1) Offer Share held by each of them, which shall be satisfied wholly via the Cash Option
Valid Acceptance	: Acceptance of the Offer by a Holder in accordance with the terms and conditions of this Offer Document, which is deemed by the Offeror to be valid and complete in all respects
Valuation Letter	: The letter from the Competent Adviser on the Estimated RCPS Value dated 13 March 2024 as set out in Appendix VI of this Offer Document
CURRENCY	
RM and sen	: Ringgit Malaysia and sen

DEFINITIONS *(Cont'd)*

All references in this Offer Document to “we”, “us”, and “our” are to Maybank IB, being the party through whom the Offeror is making the Offer.

All references to “you” in this Offer Document are to the Holders, being persons to whom the Offer is being made.

In this Offer Document, words importing the singular shall, where applicable, include the plural and vice versa and words importing any gender shall, where applicable, include all genders, unless otherwise specified. Any reference to a person shall include a reference to corporations, unless otherwise specified.

All references to dates and times in this Offer Document are references to Malaysian time, unless otherwise stated. If any period of time is specified from a day, or the day of an act or event, it is to be calculated exclusive of that day. Where a period specified in the Rules, as appearing in this Offer Document, ends on a day which is not a Market Day, the period is extended until the next Market Day.

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

Any discrepancy in the figures included in this Offer Document between the amounts stated, actual figures and the totals thereof are due to rounding.

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Maybank

Investment Bank

Company Registration No. 197301002412
(A Participating Organisation of Bursa Malaysia Securities Berhad)

20 March 2024

Registered office of
KUB Malaysia Berhad
Suite A-22-1, Level 22
Hampshire Place Office
157 Hampshire, No. 1, Jalan Mayang Sari
50450 Kuala Lumpur
Malaysia

Registered office of
Maybank Investment Bank Berhad
33rd Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

To : The Holders

Dear Sir / Madam,

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

1. INTRODUCTION

1.1. KUB MGO

- 1.1.1. On 21 November 2023, Maybank IB had, on behalf of the Offeror, announced that the Offeror has on even date entered into a conditional share purchase agreement for the proposed acquisition of 45,924,632 CCB Shares, representing approximately 86.65% equity interest in the Offeree, for a purchase consideration of RM119.42 million to be satisfied wholly via the issuance of 199,035,059 new KUB Shares at an issue price of RM0.60 per KUB Share to JAG.
- 1.1.2. However, on 8 January 2024, Maybank IB had, on behalf of the Offeror, announced that the Offeror has on even date entered into the Supplemental SPA with JAG to effect the Settlement Revision.
- 1.1.3. Maybank IB had also, on even date served the KUB Notice on the KUB Board on behalf of JAG to acquire the KUB Offer Securities.
- 1.1.4. On 9 January 2024, Maybank IB had, on behalf of JAG, notified the KUB Board that the conditional voluntary take-over offer by JAG to acquire the KUB Offer Securities had become a conditional MGO in accordance with Note 14 to paragraph 4.01 of the Rules following the acquisition of 1,787,100 existing KUB Shares (representing approximately 0.32% of the total number of KUB Shares in issue as at 9 January 2024) from the open market at a price of RM0.59 per KUB Share which has resulted in the shareholding of JAG in KUB to increase from 32.96% to 33.28% (“**KUB MGO Notification**”). KUB had, on the same day, announced the receipt of the KUB MGO Notification.
- 1.1.5. On 15 January 2024, KUB had despatched a copy of the KUB Notice together with the KUB MGO Notification to the holders of the KUB Offer Securities.
- 1.1.6. On 29 January 2024, JAG had despatched the KUB Offer Document to the holders of the KUB Offer Securities. As set out in the KUB Offer Document, the first closing date of the KUB MGO was 5 March 2024.

- 1.1.7. On 8 February 2024, KUB (being the offeree for the KUB MGO) had despatched the independent advice circular in connection with the KUB MGO (“KUB MGO IAC”) to the holders of the KUB Offer Securities. The purpose of the KUB MGO IAC was to provide the holders of the KUB Offer Securities with the relevant information on the KUB MGO and to advise the non-interested directors of KUB and the holders of the KUB Offer Securities, together with the recommendation on the KUB MGO.
- 1.1.8. On 4 March 2024, Maybank IB had, on behalf of JAG, announced that the acceptance condition in relation to the KUB MGO has been fulfilled and the KUB MGO has become unconditional as to acceptances on even date as JAG, the Ultimate Offerors for the KUB MGO and persons acting in concert hold in aggregate 56.75% of the voting shares in KUB based on the valid acceptances in respect of the KUB Offer Shares together with such KUB Shares that were already acquired, held or entitled to be acquired or held by JAG, the Ultimate Offerors for the KUB MGO and persons acting in concert as at 4 March 2024. In accordance with subparagraph 12.01(3)(b) of the Rules and Section 2(iii) of Appendix I of the KUB Offer Document, the KUB MGO remained open for acceptances until 5.00 p.m. (Malaysian time) on 18 March 2024.
- 1.1.9. On 18 March 2024, Maybank IB had, on behalf of JAG, announced that the KUB MGO has closed at 5.00 p.m. (Malaysian time) on even date. JAG, the Ultimate Offerors for the KUB MGO and persons acting in concert hold in aggregate 62.72% of the voting shares in KUB based on the valid acceptances in respect of the KUB Offer Shares together with such KUB Shares that are already acquired, held or entitled to be acquired or held by JAG, the Ultimate Offerors for the KUB MGO and persons acting in concert as at 18 March 2024.

1.2. Offer

- 1.2.1. On 28 February 2024, the SPA became unconditional and accordingly, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, the Offeror is obliged to extend an unconditional mandatory take-over offer to acquire all the remaining CCB Shares not already held by the Offeror.
- 1.2.2. Consequently, on behalf of the Offeror, Maybank IB had, on 28 February 2024, served the Notice on the CCB Board. The Offeree had, on even date, announced via press notice the receipt of the Notice, a copy of which was despatched to the Holders on 5 March 2024.
- 1.2.3. The Acquisition was completed on 28 February 2024 following the allotment and issuance of 199,035,059 new RCPS by the Offeror to JAG. Following the completion of the Acquisition, the direct shareholding of the Offeror in the Offeree has increased from nil to approximately 86.65%.
- 1.2.4. There is no ultimate offeror for the Offer.
- 1.2.5. Pursuant to subsections 216(2) and 216(3) of the CMSA, the persons acting in concert with the Offeror for purposes of the Offer as at the LPD are as follows:

No.	Name	Description of relationship
(i)	JAG	<ul style="list-style-type: none"> Owns or controls more than 20.00% of the Offeror pursuant to paragraph 216(3)(f) of the CMSA
(ii)	DSJ	<ul style="list-style-type: none"> Controlling shareholder of JAG Chairman and Non-Independent Non-Executive Director of the Offeror (up until his resignation on 12 December 2023)
(iii)	Amir Nashrin bin Johari	<ul style="list-style-type: none"> Son of DSJ and the brother of Amir Rasyidi Bin Johari A director of JAG, KUB and CCB A shareholder of CCB
(iv)	Amir Rasyidi bin Johari	<ul style="list-style-type: none"> Son of DSJ and the brother of Amir Nashrin Bin Johari A director of JAG A shareholder of CCB

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

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

	Direct		Indirect	
	No. of CCB Shares	%	No. of CCB Shares	%
Offeror				
KUB ⁽¹⁾	45,924,632	86.65	-	-
PACs				
JAG	-	-	45,924,632 ⁽²⁾	86.65
DSJ	-	-	45,924,632 ⁽³⁾	86.65
Amir Nashrin Bin Johari	1	*	-	-
Amir Rasyidi Bin Johari	1	*	-	-
Total	45,924,634	86.65	45,924,632	86.65

Notes:

* *Negligible.*

(1) *Beneficially owned following the completion of the Acquisition, pending stamping of the executed form of transfer of securities of CCB dated 28 February 2024.*

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

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

1.2.8. Notwithstanding the above, pursuant to the Notice, the following PACs had via their letters to KUB dated 28 February 2024 irrevocably and unconditionally undertaken that they shall accept the Offer which shall be satisfied wholly via the Cash Option:

	Direct		Indirect	
	No. of CCB Shares	%	No. of CCB Shares	%
Amir Nashrin Bin Johari	1	*	-	-
Amir Rasyidi Bin Johari	1	*	-	-

1.2.9. On 5 March 2024, in accordance with paragraph 3.06 of the Rules, the CCB Board had appointed DWA Advisory Sdn Bhd as the independent adviser to provide its comments, opinion, information and recommendation to the Holders in respect of the Offer.

1.2.10. Pursuant to subparagraph 11.02(3) of the Rules, on 19 March 2024, the SC notified that it has no further comments to this Offer Document. However, such notification should not be taken to suggest that the SC recommends the Offer or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Offer Document.

1.2.11. The tentative timeline in respect of the Offer is as follows:

Event	Date
Notice served on the CCB Board	28 February 2024
Posting of this Offer Document	20 March 2024
Last day for the Independent Adviser to issue the Independent Advice Circular ⁽¹⁾	1 April 2024
First Closing Date ⁽²⁾	12 April 2024

Notes:

- (1) *The last day for the Independent Adviser to issue the Independent Advice Circular falls on Saturday, 30 March 2024, which is not a Market Day. In accordance with paragraph 2.03 of the Rules, the period is extended to Monday, 1 April 2024.*
- (2) *12 April 2024, being 23 days from the Posting Date. The Offer will remain open for acceptances until 5.00 p.m. on the Closing Date, or if the Offer is revised or extended in accordance with the Rules and the terms and conditions of this Offer Document, such other extended closing date as the Offeror may decide and as may be announced by Maybank IB, on behalf of the Offeror, at least 2 days before the Closing Date. Notice of any extension will be posted to the Holders accordingly.*

THIS OFFER DOCUMENT SEEKS TO EXTEND A FORMAL OFFER BY THE OFFEROR, THROUGH MAYBANK IB, TO ACQUIRE YOUR OFFER SHARES.

YOU ARE ADVISED TO CAREFULLY READ THIS OFFER DOCUMENT AND THE INDEPENDENT ADVICE CIRCULAR WHICH WILL BE DESPATCHED TO YOU WITHIN 10 DAYS FROM THE DATE OF THIS OFFER DOCUMENT OR NO LATER THAN 1 APRIL 2024. YOU SHOULD CONSIDER THE RECOMMENDATION OF THE INDEPENDENT ADVISER CAREFULLY BEFORE MAKING YOUR DECISION.

YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY IF YOU HAVE ANY DOUBT ABOUT THE OFFER.

IF YOU WISH TO ACCEPT THE OFFER, YOU SHOULD COMPLETE AND SIGN THE ACCOMPANYING FORM OF ACCEPTANCE AND TRANSFER ACCORDING TO THE INSTRUCTIONS THEREIN. PLEASE REFER TO APPENDIX II OF THIS OFFER DOCUMENT FOR THE PROCEDURES FOR ACCEPTANCE AND METHOD OF SETTLEMENT OF THE OFFER. SPECIAL INSTRUCTIONS FOR NON-RESIDENT HOLDERS FOR ACCEPTANCE OF THIS OFFER ARE ALSO SET OUT IN APPENDIX II OF THIS OFFER DOCUMENT.

YOU DO NOT NEED TO TAKE ANY ACTION IF YOU DECIDE NOT TO ACCEPT THE OFFER.

2. TERMS AND CONDITIONS OF THE OFFER

The principal terms and conditions of the Offer, unless otherwise directed or permitted to be varied by the SC, are as follows:

2.1. Consideration of the Offer

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

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

where:

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

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

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

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

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

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

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

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

The Offer Price is equivalent to the Purchase Consideration per CCB Share paid by the Offeror to JAG for the Acquisition. The Purchase Consideration per CCB Share of RM2.60037 was arrived at on a willing-buyer willing-seller basis and after taking into consideration the following:

- (i) the fair market valuation of CCB as undertaken by FHCA (as included in the Circular) for purposes of the Acquisition as below:
 - (a) based on the fair market valuation performed using the RVA as the primary approach, the implied entire equity value of CCB is RM137.82 million which falls within the fair market value of the entire equity interest of CCB of between RM115.81 million and RM144.99 million or RM2.1851 to RM2.7357 per CCB Share as at 31 October 2023; and
 - (b) based on the discounted free cash flow to equity method as the secondary approach, the fair market value of the entire equity interest of CCB is between RM129.89 million and RM160.82 million or RM2.4508 to RM3.0343 per CCB Share;
- (ii) the consolidated PAT of CCB of RM11.65 million based on the audited consolidated financial statements of CCB for the FYE 30 June 2023;
- (iii) the rationale and benefits of the Acquisition; and

- (iv) the industry outlook for the manufacturing sector for power cables and wires in Malaysia and prospects and future plans of CCB.

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

2.2. Condition of the Offer

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

2.3. Duration of the Offer

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

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

2.4. Method of Settlement

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

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

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

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

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

2.5. Salient terms of the RCPS

The salient terms of the RCPS to be issued under the Securities Option are set out in **Appendix III** of this Offer Document.

3. RATIONALE FOR THE OFFER

3.1. Mandatory take-over offer obligation

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

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

3.2. Opportunity for the Holders to exit and realise their investment

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

4. LISTING STATUS OF THE OFFEREE, COMPULSORY ACQUISITION AND RIGHTS OF DISSENTING HOLDERS

4.1. Listing Status

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

4.2. Compulsory Acquisition

Subsection 222(1) of the CMSA provides that, where an offeror:

- (a) has made a take-over offer for all the shares or all the shares in any particular class in an offeree; and
- (b) has received acceptances of not less than nine-tenths (9/10) in the nominal value* of the offer shares,

Note:

* Section 74 of the Act stipulates that all shares issued before or upon the commencement of the Act shall have no par or nominal value. Accordingly, the "nominal value" in this context shall refer to the number of shares instead.

the offeror may, within 4 months of the date of the take-over offer, acquire the remaining shares or remaining shares in any particular class in the offeree, by issuing a notice in the form or manner specified by the SC to such effect, to all dissenting holders who have not accepted the offer, provided that the notice is:

- (i) issued within 2 months from the date of achieving the conditions under paragraphs 222(1)(a) and 222(1)(b) of the CMSA; and

- (ii) accompanied by a copy of a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied.

Subsection 222(1A) of the CMSA provides that, for the purpose of paragraph 222(1)(b) of the CMSA, the acceptances must not include shares already held at the date of the take-over offer by the offeror and person(s) acting in concert with the offeror.

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

4.3. Rights of Dissenting Holders

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

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

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

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

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

5. FUTURE PLANS FOR THE CCB GROUP AND ITS EMPLOYEES

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

5.1. Continuation of the CCB Group' business

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

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

5.2. Major changes to the CCB Group's assets

As set out in Section 6.3 below, it is the intention of the Offeror to capitalise on the resources, expertise and strength of the Offeree in securing new projects for the Power Business.

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

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

5.3. Employees of the CCB Group

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

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

6. FUTURE OUTLOOK AND PROSPECTS OF THE ENLARGED OFFEROR GROUP

6.1. Overview and outlook of the Malaysian economy

For 2024, growth of the Malaysian economy is expected to trend higher in comparison to the prior year, lifted by the recovery in exports and resilient domestic expenditure. Household spending will be supported by continued growth in employment and wages. Tourist arrivals and spending are expected to improve further. Moreover, investment activity would be supported by continued progress of multi-year projects in both the private and public sectors, and the implementation of catalytic initiatives under national master plans. Budget 2024 measures will also provide additional support to economic activity.

The growth outlook remains subject to downside risks from weaker-than-expected external demand and declines in commodity production. Meanwhile, upside risks to domestic growth emanate from greater spill over from the tech upcycle, stronger-than-expected tourism activity and faster implementation of both existing and new projects.

As expected, both headline and core inflation have moderated, mainly due to lower cost pressures amid stabilising demand conditions. In 2024, inflation is expected to remain modest, broadly reflecting stable cost and demand conditions. However, the inflation outlook remains highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: Quarterly Bulletin, Fourth Quarter 2023, Bank Negara Malaysia)

6.2. Overview of the Offeror Group

The segmental revenue and selected financial information of the Offeror Group based on its audited consolidated financial statements for the 18-month FPE 30 June 2021 and the past 2 FYEs 30 June 2022 and FYE 30 June 2023 are as follows:

	FPE 30 June (1) 2021	(2) %	FYE 30 June 2022	(2) %	FYE 30 June 2023	(2) %
	RM'000		RM'000		RM'000	
Revenue:						
▪ LPG Business	451,026	77.23	483,198	88.18	472,761	96.70
▪ Agricultural Business	82,756	14.17	44,233	8.07	(3) -	-
▪ Other Businesses	50,255	8.60	20,532	3.75	16,128	3.30
Total revenue	584,037	100.00	547,963	100.00	488,889	100.00
Consolidated PBT	167,791		33,173		38,879	
Consolidated PAT attributable to the owners of the Company	155,562		18,284		33,811	

Notes:

- (1) Based on the total revenue for the respective financial period/financial years.
- (2) Due to the change of FYE from 31 December to 30 June, the Offeror Group's financial results for the FPE 30 June 2021 covers a period of 18 months.
- (3) Due to the deconsolidation of KUB Sepadu Sdn Bhd ("KUBS"), one of the Offeror's subsidiaries, the financial results of the Agricultural Business in the FYE 30 June 2023 has been classified under "Other Businesses". Please refer to Section 10 of Appendix IV of this Offer Document in relation to the status of KUBS within the Offeror Group as at the LPD.

As can be seen from the table, the Offeror Group is highly dependent on the LPG Business with this business segment being the main contributor to the Offeror Group's revenue, accounting for more than 75% of the Offeror Group's revenue for the 18-month FPE 30 June 2021 and the past 2 FYEs 30 June 2022 and FYE 30 June 2023. Accordingly, the Acquisition provides the Offeror Group with an opportunity to expand and diversify the product offering, earnings base and to reduce its reliance on the LPG Business and at the same time, marking its strategic move to enhance its involvement in the Power Business under KUB Power.

6.3. Prospects and future plans of the enlarged Offeror Group

The Offeror has outlined a summary of the key strategies within the LPG Business, as follows:

- (a) Modernising the Solar Gas brand - the Offeror Group had spent RM2.2 million on its ongoing cylinder reconditioning and requalification exercise and RM1.6 million on the repainting of cylinders to ensure competitiveness in cylinder appearance and drive a modern image for Solar Gas, respectively;
- (b) Driving operational efficiency - the Offeror Group had invested in an automated pallet system to increase productivity, improve efficiency and reduce its dependence on manual labour, with the system currently being installed at its West Port facility at a total cost of RM2.9 million;
- (c) Ramping up marketing activities - the Offeror Group had expanded its downstream presence by recruiting new sub-dealers, adding new stores to the distribution network and increasing supply to convenience stores while maintaining attractive incentives to retain existing dealers; and
- (d) Investing in domestic segment growth - the Offeror Group had focused its sales efforts on domestic cylinders, leading to 19% and 13% increases in the sales of 12KG dark blue cylinders and 14KG gold cylinders respectively, while spending RM5.8 million on the injection of new cylinders for the domestic market.

In view of the weakening of the RM and inflationary pressures, the Offeror Group continues to foresee a challenging and competitive economic environment in FYE 30 June 2024. In view of the LPG Business being the primary revenue and earnings driver of the Offeror Group, the Offeror Group will continue to embark on efforts to intensify its sales and marketing efforts for the LPG Business to build its market share and to preserve its operational margins which have been impacted by escalating input costs and stiff competition.

Overall, the Offeror will continue to maintain a cautious stance on the overall market and industry outlook, while remaining flexible in executing strategic plans in expanding the Offeror Group's existing business and identifying new business opportunities as and when they arise. The Offeror will also continue to be vigilant and take appropriate and timely measures to sustain the Offeror Group's profitability for the FYE 30 June 2024.

Following the Acquisition, the CCB Group is expected to contribute significantly to the financial performance of the Offeror. The CCB Group is principally involved in the Cables Manufacturing Business, an upstream activity within the value chain of the power industry for the supply of underground power cables or overhead power cables for transmission and distribution of electricity, and has been operating for more than 50 years in Malaysia since its commencement of business operations in 1967.

Following the Acquisition and the Offer, the Offeror will be better placed to align the future strategy and business direction of the CCB Group to fully realise the benefits anticipated from the Acquisition as the Offeror Group will be able to:

- (a) venture into the Cables Manufacturing Business which is an upstream activity within the value chain of the power industry and evolve into a holistic power solutions provider via the integration of the Cables Manufacturing Business with the Power Business. This strategic diversification also mitigates risks associated with market fluctuations associated with the Power Business and is expected to complement KUB Power's strategic move as an integrated power solutions provider;
- (b) capitalise on the resources, expertise and strength of the Offeree in securing new projects for the Power Business, thereby enhancing its operational efficiencies, bidding strategies, financial position and prospects of the Offeror Group;

- (c) provide an opportunity for the Offeror Group to diversify and bolster its revenue and income stream as the Acquisition is expected to contribute positively to the future earnings of the enlarged Offeror Group and further strengthens the Offeror Group's future financial performance;
- (d) expand and diversify the Offeror Group's product offerings; and
- (e) reduce the Offeror Group's dependency on the LPG Business while increasing the market share of the Offeror Group as a solution provider in the power industry.

The Offeror intends to grow and continue with the operations of the CCB Group, via the enlarged Offeror Group, while retaining the key management of CCB. The Offeror anticipates that CCB will remain profitable in view of the industry outlook and prospects of CCB due to increased spending for infrastructure projects, grid modernisation efforts, growing electricity consumption and a strong push towards renewable energy enabling the Offeror to explore further opportunities for CCB in the Cables Manufacturing Business.

The Offeror also intends to collaborate and integrate its existing Power Business with CCB's Cables Manufacturing Business, resulting in the enlarged Offeror Group becoming a more integrated power solutions provider in Malaysia when bidding for civil engineering works relating to the power sector.

Notwithstanding the Diversification carried out by the Offeror Group pursuant to the Acquisition, the KUB Board intends to continue with the Offeror Group's existing core business, being the LPG Business.

7. RISK FACTORS

Holders who elect for the Securities Option will receive the RCPS in exchange for the Offer Shares surrendered. Following thereto, Holders will be exposed to new industry and business risks inherent to the Offeror Group which include the following:

7.1. Risks relating to the LPG Business

The Offeror Group is highly dependent on the LPG Business with this business segment being the main contributor to the Offeror Group's revenue, accounting for more than 75% of the Offeror Group's revenue for the 18-month FPE 30 June 2021 and the past two (2) FYE 30 June 2022 and FYE 30 June 2023. In addition, the Offeror Group faces a concerning hurdle to its expansion, which relates to the continuing cylinder capacity issue, which has been exacerbated by the prolonged delay of cylinder exchanges between KUB and its competitor oil companies, thereby further impacting the circulation of solar gas cylinders in the market.

The Offeror Group is also cognisant that in the recent years, considering that LPG is a controlled item under the Petroleum Development Act 1974 and the Control of Supplies Act 1961, the process involved in securing licences to recruit dealers has become more stringent, thereby slowing down its dealer expansion activities. At the same time, the government may decide to replace the current blanket coverage of gas subsidies with targeted subsidies for specific income groups in future. If implemented, this policy may affect demand for LPG across the domestic market, necessitating a pivot towards commercial and industrial segment opportunities.

In line with the government's concerted efforts via the 12th Malaysian Plan, National Energy Policy 2022-2040 and NETR which was launched in September 2023, it is anticipated that the expansion of renewable energy power generation, including Hydrogen, Solar and Bioenergy, with anticipated investments of RM260 billion to RM270 billion between 2023 and 2050, as estimated by the NETR, while an estimated RM170 billion to RM175 billion is allocated for the renewable energy grid network between 2023 and 2050. This may pose substantial risks to existing companies and businesses, of which revenues and profitability are highly dependent on LPG business such as the Offeror Group, unless the Offeror Group's product offerings are expanded and diversified, consequentially being able to diversify and bolster its revenue and income stream.

7.2. Risks relating to the Cables Manufacturing Business

Pursuant to the Acquisition, the Offeror Group may be exposed to certain new business risks inherent in the Cables Manufacturing Business that could have material adverse effect on its financial performance, including but not limited to the following:

- (i) failure of machinery and disruption in the operations;
- (ii) failure to obtain the necessary operating permits, licences, certificates and/or regulatory approvals;
- (iii) availability and fluctuation of raw materials (metal and foreign currency exchange rates) and labour costs; and
- (iv) changes in the regulatory framework in the cables manufacturing industry.

Copper and aluminium are the main raw materials that CCB uses to manufacture CCB's cables and wires, and they contribute to the majority of CCB's total purchases. Copper and aluminium represented approximately 72.24%, 70.70% and 72.16% of the CCB's total purchases for the past three (3) FYEs 30 June 2023 respectively. Copper and aluminium are globally and actively traded commodity metals. The prices of copper and aluminium are affected by numerous factors beyond the enlarged Offeror Group's control, including global economic and political conditions, supply and demand, inventory levels maintained by suppliers, potential disruptions in the supply chains and currency exchange rates. Any unfavourable and material fluctuations in the prices of copper and aluminium may affect CCB's margins and profitability, especially if CCB is unable to pass on the cost increments to its customers on a timely basis.

Furthermore, CCB's major customer (Malaysia's primary electricity generation enterprise transmitting and distributing all the electricity in Peninsular Malaysia, Sabah and the Federal Territory of Labuan) with whom it has maintained a long-standing business relationship for more than 33 years contributed to more than 50% of its revenue based on the audited consolidated financial statements of CCB for the past three (3) FYEs 30 June 2021, 30 June 2022 and 30 June 2023. The loss of the said major customer or any significant decline in its demand may adversely affect CCB's business, results of operations and financial condition.

There can be no assurance the aforementioned risks may be adequately addressed and any changes to the operating conditions of the CCB Group may have an adverse effect on the Offeror Group's financial performance.

7.3. Competition risk

The wires and cables industry is highly competitive due to the presence of various wires and cables manufacturers who sell their products in the Malaysian market, some of whom have greater manufacturing, sales, development and financial resources than others. Additionally, the wires and cables manufacturers that are able to provide competitive pricing solutions may be better positioned among their competitors to secure new product orders. Aggressive pricing competition may lead to lower product selling prices, which in turn, may result in lower profit margins. The wires and cables manufacturers that are more adept in providing customer-centric sales, marketing, technical support and customer services may be better positioned among their competitors to secure new orders.

The impact of competition from new entrants into the wires and cables industry, to a certain extent, is minimised by the numerous barriers of entry to the industry including the importance of having an established track record in manufacturing quality wires and cables, market acceptance and reputable brand name, strong business relationships with customers, technical know-how, and high capital expenditure required to set up manufacturing facilities.

Although the Offeror Group (via the Cables Manufacturing Business) seeks to continue to adopt appropriate strategies to improve its competitiveness and as a result, increase the market share in this particular industry, there can be no assurance that competition from existing competitors and/ or new entrants will not have a material adverse effect on the performance/ market share of the Offeror Group in the future.

7.4. Acquisition risk

There can be no assurance that the anticipated benefits of the Proposals will be realised or that the Offeror Group will be able to generate sufficient returns from the Acquisition to offset the associated acquisition costs incurred. These include changes in the cash flow profile arising from the potential capital or operational expenditure to be committed to the Cables Manufacturing Business in the future.

7.5. Integration risk

The enlarged Offeror Group's business operations and financial position could be materially affected if the existing businesses of the Offeror Group and the CCB Group are not integrated effectively or in a timely manner. This may result in the lower realisation of benefits and synergies arising from the Proposals where failure to achieve the expected benefits and synergies may impact the enlarged Offeror Group's future financial performance.

Potential factors that may adversely affect a successful integration exercise include:

- (i) disruption to business continuity and ongoing operations which could affect the enlarged Offeror Group's ability to deliver its products and services to its customers, timeliness in responding to competition and ability to maintain its market position;
- (ii) higher than anticipated integration complexities and costs, for example related to integration of information technology platforms and systems;
- (iii) unintended loss of key personnel or skilled or technical personnel or reduced employee effectiveness and productivity due to uncertainties during the integration phase; and
- (iv) unexpected challenges or issues that may lead to integration execution taking longer time or costing more than anticipated.

7.6. Dependency on key management personnel risk

The business growth and success in the Cables Manufacturing Business is largely attributable to the skill, experience, competency and continued efforts of CCB's key management personnel as well as the Offeror Group's ability to attract more qualified personnel who have the relevant experience in the Cables Manufacturing Business. The loss of any key management personnel without timely replacement or the Offeror Group's inability to attract and/or retain qualified personnel may adversely affect the Cables Manufacturing Business which would in turn negatively impact the financial performance of the enlarged Offeror Group.

In addition, the business growth and success in the LPG Business is also largely attributable to the skill, experience, competency and continued efforts of the Offeror's key management personnel as well as the Offeror Group's ability to attract and retain qualified personnel who have the relevant experience in the LPG Business. The loss of any key management personnel without timely replacement or the Offeror Group's inability to attract and/or retain qualified personnel may adversely affect the LPG Business which would in turn negatively impact the financial performance of the Offeror Group.

As such, the Offeror Group will strive to adopt appropriate measures to retain the Offeror Group's key management personnel (including CCB's key management personnel) and attract qualified personnel, including providing attractive remuneration, requisite training, career advancement opportunities and other employment benefits. The Offeror Group may also reduce its reliance on any key management personnel by regularly reviewing its staff strength and policies (including succession planning) to ensure that it is able to effectively address human resource risks.

Notwithstanding, there can be no assurance that these measures will enable the Offeror Group to retain its key management personnel (including CCB's key management personnel), or address the loss of its key management personnel effectively or that a smooth transition will occur during any staff replacement exercise.

7.7. Goodwill and impairment risk

According to the Malaysian Financial Reporting Standards 3 Business Combinations issued by the Malaysian Accounting Standards Board, the enlarged Offeror Group is expected to recognise goodwill arising from the Acquisition and the Offer. Goodwill represents the excess of the consideration over the KUB Group's share of the fair value of the identifiable NA acquired.

Goodwill is tested for impairment annually or if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill is allocated to each of the CGUs, or groups of CGUs, that are expected to benefit from the Acquisition and the Offer. Accordingly, to arrive at the impairment amount, the carrying amount of the CGU including the goodwill of the CGU is compared with the recoverable amount of the CGU, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

While the management of Offeror expects the goodwill to be supported by the post-acquisition performance of CCB, any material changes or events arising that may adversely affect the business prospects and/or assets of CCB may result in an impairment of the goodwill. Any fair value adjustments allocated to the identifiable assets and liabilities of CCB, and the effects of amortisation of the fair value adjustments if any, from the Acquisition and the Offer may materially and adversely affect Offeror Group's financial position and that may have a corresponding effect on shareholders' value.

7.8. Risks relating to the RCPS

The RCPS to be issued by the Offeror will not be listed or traded on Bursa Securities. Upon conversion of the RCPS by the respective RCPS holders, the RCPS holders will receive new KUB Shares based on the conversion ratio of the RCPS where each RCPS is convertible into one (1) new KUB Share.

As the RCPS shall not be transferable (save and except for transfers between the RCPS holders, subject to the applicable laws, regulations and rules that would apply to the securities of KUB), the lack of a regulated market and liquidity of the RCPS may make it difficult for the RCPS holders to realise their investments in KUB.

8. EFFECTS OF THE OFFER ON THE OFFEROR GROUP

For illustrative purposes only, the effect of the Offer have been prepared based on the following scenarios:

Scenario 1 : Assuming the Offeror receives full acceptances under the Offer where all the Holders opt for the Cash Option and JAG fully converts the RCPS issued pursuant to the Acquisition.

Scenario 2 : Assuming the Offeror receives full acceptances under the Offer where all the Holders opt for the Securities Option and all the RCPS issued are fully converted.

8.1. Issued share capital

The effect of the Offer on the issued share capital of the Offeror is as follows:

	Scenario 1		Scenario 2	
	No. of KUB Shares	RM	No. of KUB Shares	RM
As at the LPD	556,464,690	228,862,797	556,464,690	228,862,797
New KUB Shares to be issued assuming full conversion of the RCPS issued pursuant to the Acquisition	199,035,059	119,421,035	199,035,059	119,421,035
New KUB Shares to be issued assuming full conversion of the RCPS to be issued pursuant to the Offer	-	-	30,664,291 ⁽¹⁾	18,398,575
Enlarged number of KUB Shares and issued share capital	755,499,749	348,283,832	786,164,040	366,682,407

Note:

(1) Based on the maximum number of new KUB Shares to be issued for every Offer Share surrendered per the exchange ratio of 4.33395 new RCPS to be issued at an issue price of RM0.60 per RCPS for every one (1) Offer Share surrendered with the balance of the fractional entitlement to the new RCPS to be settled in cash (rounded up to the nearest whole sen) based on the issue price of RM0.60 per RCPS.

8.2. Substantial shareholders' shareholding

The effect of the Offer on the substantial shareholders' shareholding in KUB are as follows:

	(A) As at the LPD		After (A) and assuming full conversion of the RCPS to be issued based on Scenario 1			
	Direct No. of KUB Shares (⁽¹⁾ 346,556)	Indirect No. of KUB Shares (⁽⁵⁾ 346,556)	%	No. of KUB Shares (⁽⁴⁾ %)	Direct No. of KUB Shares (⁽⁵⁾ 545,592)	Indirect No. of KUB Shares (⁽⁵⁾ 545,592)
JAG			62.28	-	545,592	72.22
DSJ			-	62.28	-	-
						72.22

Based on Scenario 2 only:

	After (A) and assuming full conversion of the RCPS by all the Holders only		After (A) and assuming full conversion of the RCPS by JAG and all the Holders		After (A) and assuming full conversion of the RCPS by JAG only	
	Direct No. of KUB Shares (⁽²⁾ %)	Indirect No. of KUB Shares (⁽³⁾ %)	Direct No. of KUB Shares (⁽³⁾ %)	Indirect No. of KUB Shares (⁽⁴⁾ %)	Direct No. of KUB Shares (⁽⁴⁾ %)	Indirect No. of KUB Shares (⁽⁵⁾ 545,592)
JAG	59.03	-	69.40	-	545,592	72.22
DSJ	-	59.03	-	69.40	-	-
						72.22

Notes:

- (1) Based on the Record of Depositors of KUB as at the LPD.
- (2) Based on the enlarged number of KUB Shares in issue of 587,128,981 assuming only all the Holders convert their respective RCPS held after the Acquisition.
- (3) Based on the enlarged number of KUB Shares in issue of 786,164,040 assuming JAG and all the Holders convert their respective RCPS held after the Acquisition.
- (4) Based on the enlarged number of KUB Shares in issue of 755,499,749 assuming only JAG converts its RCPS held after the Acquisition.
- (5) Deemed interest by virtue of his shareholding in JAG pursuant to Section 8 of the Act.

8.3. NA and gearing

For illustrative purposes only, based on the latest audited consolidated statements of financial position of the Offeror as at 30 June 2023 and assuming that the Proposals had been effected on that date, the pro forma effect of the Offer on the NA per KUB Share and gearing of the Offeror Group are as follows:

	Audited as at 30 June 2023	(A) After the Acquisition	After (A) and assuming full conversion of the RCPS to be issued based on Scenario 1	After (A) and assuming full conversion of the RCPS to be issued based on Scenario 2
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Share capital	228,863	228,863	346,714	⁽⁶⁾ 364,547
RCPS ⁽¹⁾	-	⁽⁴⁾ 117,851	-	-
Reserve	36,723	36,723	36,723	36,723
Retained earnings	251,459	251,459	⁽⁵⁾ 250,961	251,459
NA	517,045	634,896	634,398	652,729
Non-controlling interests	(14,743)	⁽⁷⁾ (4,006)	⁽⁷⁾ (4,006)	(14,743)
Total equity	502,302	630,890	630,392	637,986
Number of KUB Shares in issue ('000)	556,465	556,465	755,500	786,164
NA per KUB Share (RM) ⁽²⁾	0.93	1.14	0.84	0.83
Interest-bearing borrowings (excluding lease liabilities) ('000)	41,114	83,859	83,859	83,859
Gearing (times) ⁽³⁾	0.08	0.13	0.13	0.13

Notes:

- (1) The RCPS, upon conversion into new KUB Shares, will be cancelled by KUB.
- (2) Calculated based on total equity over the number of KUB Shares in issue.
- (3) Calculated based on total interest-bearing borrowings (excluding lease liabilities) over total equity.
- (4) After taking into account the capitalised estimated expenses in relation to the Acquisition of RM1.57 million in accordance with Malaysian Financial Reporting Standards 132 on Financial Instruments: Presentation ("MFRS 132"), which consist of professional fees, fees payable to the relevant authorities, printing and cost to despatch the Circular and other incidental expenses relating to the Acquisition.
- (5) After taking into account the expensed estimated expenses in relation to the Offer of RM0.50 million (assuming no issuance of RCPS to the Holders under Scenario 1), which consist of professional fees, fees payable to the relevant authorities, printing and cost to despatch this Offer Document to the CCB Board and the Holders as well as other incidental expenses relating to the Offer.
- (6) After taking into account the capitalised estimated expenses in relation to the Offer of RM0.57 million (assuming all RCPS issued under Scenario 2 are fully converted into new KUB Shares), in accordance with MFRS 132, which consist of professional fees, fees payable to the relevant authorities, printing and cost to despatch this Offer Document to the CCB Board and the Holders as well as other incidental expenses relating to the Offer.
- (7) Does not take into account the effects of the purchase price allocation exercise and assuming the audited consolidated NA to equity owners of CCB as at 30 June 2023 is the fair value of the NA acquired on completion of the Acquisition.

8.4. EPS

For illustrative purposes only, based on the latest audited consolidated statement of comprehensive income of KUB for the FYE 30 June 2023 and assuming that the Proposals had been effected on 1 July 2022, being the beginning of the FYE 30 June 2023, the pro forma effect of the Offer on the earnings of the Offeror Group and EPS are as follows:

	<u>Scenario 1</u>	<u>Scenario 2</u>
	RM'000	RM'000
Normalised consolidated PAT attributable to the owners of KUB ⁽¹⁾	14,650	14,650
Add: CCB's audited consolidated PAT for the FYE 30 June 2023	⁽²⁾ 11,647	⁽²⁾ 11,647
Less: Estimated expenses relating to the Proposals ⁽³⁾	(498)	⁽⁴⁾ -
Pro forma consolidated PAT attributable to the owners of KUB after the Proposals	25,799	26,297
Number of KUB Shares in issue ('000):		
- Before the Proposals	556,465	556,465
- After the Proposals and assuming none of the RCPS are converted	556,465	556,465
- After the Proposals and assuming full conversion of the RCPS	755,500	786,164

EPS (sen):		
- Before the Proposals ⁽⁵⁾	2.63	2.63
- After the Proposals assuming none of the RCPS are converted ⁽⁶⁾	4.64	4.73
- After the Proposals and assuming immediate full conversion of the RCPS ⁽⁷⁾	3.41	3.34

Notes:

(1) Normalised consolidated PAT is computed as follows:

	<u>RM'000</u>
Audited consolidated PAT attributable to the owners of KUB for the FYE 30 June 2023	33,811
Less: Gain on fair value on investment in KUBS	(13,409)
Less: Reversal of impairment of trade and other receivables	(3,205)
Less: Reversal of provision for liquidated ascertained damages	(1,293)
Less: Gain on disposal of property, plant and equipment	(1,254)
Normalised consolidated PAT attributable to the owners of KUB	14,650

- (2) *This represents the entire 100.00% of the audited consolidated PAT of CCB for the FYE 30 June 2023.*
- (3) *Consist of professional fees, fees payable to the relevant authorities, printing and cost to despatch this Offer Document to the CCB Board and the Holders as well as other incidental expenses relating to the Offer.*
- (4) *The estimated expenses relating to the Acquisition of RM1.57 million and the estimated expenses relating to the Offer of RM0.57 million would be capitalised in accordance with MFRS 132.*
- (5) *Based on normalised consolidated PAT attributable to the owners of KUB divided by the number of KUB Shares in issue before the Proposals of 556,464,690 KUB Shares.*
- (6) *Based on pro forma consolidated PAT attributable to the owners of KUB after the Proposals divided by the number of KUB Shares in issue after the Proposals assuming none of the RCPS are converted of 556,464,690 KUB Shares.*
- (7) *Based on pro forma consolidated PAT attributable to the owners of KUB after the Proposals divided by the number of KUB Shares in issue after the Proposals and assuming all of the RCPS are converted of 755,499,749 KUB Shares and 786,164,040 KUB Shares, respectively.*

9. FINANCIAL RESOURCES OF THE OFFEROR

The Offeror confirms that it has sufficient financial resources to satisfy full acceptance of the Offer. The Offeror also confirms that the Offer will not fail due to insufficient financial capability of the Offeror, and that every Accepting Holder who elected for the Cash Option or who elected for the Securities Option and is entitled to receive the Fractional Cash Balance will be paid in full by way of cash, respectively.

Maybank IB, as the Principal Adviser for the Offer, confirms that the Offeror has sufficient financial resources to satisfy full acceptance of the Offer.

Therefore, Maybank IB is satisfied that the Offer will not fail due to insufficient financial capability of the Offeror, and that every Accepting Holder who elected for the Cash Option or who elected for the Securities Option and is entitled to receive the Fractional Cash Balance will be paid in full by way of cash, respectively.

10. FINANCIAL AND OTHER CONSIDERATIONS

You may wish to consider, amongst others, the following factors before making a decision on the Offer:

10.1. Basis of the Offer Price

The Offer Price represents the Purchase Consideration paid by the Offeror for each CCB Share acquired pursuant to the Acquisition.

Should the Holders elect for the Cash Option, the Offer Price is also the highest cash price paid by the Offeror and persons acting in concert for CCB Shares during the 6-month period before the Offer Period and up to the LPD.

Should the Holders elect for the Securities Option, the basis for the exchange ratio of 4.33395 new RCPS to be issued at an issue price of RM0.60 per RCPS for every one (1) Offer Share surrendered, is equivalent to the value of the new RCPS issued to JAG for each CCB Share acquired by the Offeror.

10.2. Marketability of CCB Shares

There is no active market to trade CCB Shares as the CCB Shares are not listed on any stock exchange. As such, the Holders may not be able to immediately realise their investments in CCB after the Closing Date.

10.3. Historical market prices

10.3.1 Offeree

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

Save as disclosed below, there have been no transactions which have taken place during the period commencing six (6) months prior to the Offer Period and up to the LPD:

<u>Date</u>	<u>No. of CCB Shares</u>	<u>Amount (RM)</u>	<u>Price per CCB Share (RM)</u>
24 October 2023 ⁽¹⁾	9,779,373	25,430,000	2.60037
28 February 2024 ⁽²⁾	45,924,632	119,421,035	2.60037

Notes:

- (1) Based on the stamped form of transfer of securities of CCB dated 24 October 2023.
(2) Based on the executed form of transfer of securities of CCB dated 28 February 2024, which has been submitted for stamping.

10.3.2 Offeror

As at the LPD, there are 199,035,059 RCPS in issue which are entirely held by JAG pursuant to the Acquisition. The RCPS is not listed, quoted or traded on Bursa Securities or any stock exchange. The new KUB Shares to be issued upon conversion of the RCPS shall be listed on the Main Market of Bursa Securities.

As such, the monthly closing price and the highest and lowest traded price of KUB Shares for each month as traded on the Main Market of Bursa Securities for the period commencing six (6) months prior to the Offer Period and up to the LPD are as follows:

<u>Month</u>	<u>Highest (RM)</u>	<u>Lowest (RM)</u>	<u>End of month closing price (RM)</u>
2023			
May	0.520	0.455	0.490
June	0.520	0.480	0.485
July	0.560	0.500	0.535
August	0.545	0.515	0.545
September	0.590	0.540	0.560
October	0.570	0.520	0.520
November	0.580	0.530	0.570
December	0.605	0.570	0.585
2024			
January	0.600	0.575	0.575
February	0.575	0.565	0.570
March (up to the LPD)	0.600	0.565	0.595

(Source: Bloomberg)

During the six (6) months prior to the Offer Period and up to the LPD:

- (i) the highest closing price of KUB Shares was RM0.605, which was transacted on 11 December 2023; and
- (ii) the lowest closing price of KUB Shares was RM0.455, which was transacted on 26 May 2023.

10.4. Estimated value of the RCPS

The RCPS to be issued by the Offeror to the Accepting Holders who elect for the Securities Option will not be listed on any stock exchanges including Bursa Securities. The Estimated RCPS Value has been prepared pursuant to note 11 to paragraph 6.03 of the Rules.

The Competent Adviser has adopted the NAV as the primary methodology and the RVA as secondary methodology in arriving at the Estimated RCPS Value as at the Opinion Date, the results of which are as follows:

- (i) based on the NAV methodology, the Estimated RCPS Value is summarised as follows:

	After the Offer	
	Assuming all Holders opt for Cash Option and full redemption of RCPS held by JAG	Assuming all Holders opt for Securities Option and full conversion of all RCPS held by JAG and the Holders into new KUB Shares
Before the Offer		
RM1.05 per RCPS	RM0.83 per RCPS	RM0.76 per RCPS

- (ii) based on the RVA methodology, the Estimated RCPS Value, using Quartile 1 (which represents the value at the 25th percentile of a dataset) and Quartile 3 (which represents the value at the 75th percentile of a dataset) of the EV/EBITDA Multiple of the Comparable Companies (as defined in Section 10.4.1(ii) of this Offer Document) and the EBITDA for the FYE 30 June 2023 for both the Offeror and the Offeree, is summarised as follows:

	After the Offer	
	Assuming all Holders opt for Cash Option and full redemption of RCPS held by JAG	Assuming all Holders opt for Securities Option and full conversion of all RCPS held by JAG and the Holders into new KUB Shares
Before the Offer		
RM1.04 to RM1.19 per RCPS with a median of RM1.11 per RCPS	RM0.81 to RM0.98 per RCPS with a median of RM0.88 per RCPS	RM0.75 to RM0.87 per RCPS with a median of RM0.80 per RCPS

Therefore, based on the NAV and the range of the RVA using both EV/EBITDA multiple, the Competent Adviser is of the opinion that the Estimated RCPS Value is **RM1.05 per RCPS**. Notwithstanding, if all Holders opt for the Securities Option and all the RCPS (including Consideration RCPS) are fully converted into new KUB Shares, the Estimated RCPS Value further decreases to RM0.76 per share, noting that the Securities Option entails potential dilution in shareholding.

10.4.1 Methodology and assumptions

In establishing its opinion on the Estimated RCPS Value, the Competent Adviser has considered various valuation methodologies, which are commonly used for valuation and taken into consideration the Offeror's future earnings generating capabilities and its sustainability as well as various business considerations and risk factors affecting the Offeror's business.

The Competent Adviser has also adopted the following general assumptions in arriving at the Estimated RCPS Value:

- (a) there will be no significant changes in the principal activities, key management personal, operating policies, accounting and business policies presently adopted by the Offeror;
- (b) there will be no significant changes to the prevailing economic, political and market conditions in Malaysia and elsewhere that will have direct and indirect effects on the activities and performance of the Offeror;
- (c) there will be no material changes to the present legislation and government's regulations and other operation regulations or restrictions affecting the Offeror's activities or the market in which it operates;
- (d) the statutory income tax rate and other relevant duty and tax rate for the Offeror will remain at their respective existing rates with no significant changes in the bases of taxation;
- (e) there will be no material adverse effect from service disruptions, equipment or network breakdown or other similar occurrences, wars, epidemic, terrorist attacks and other natural risks, both domestic and foreign, which will adversely affect the operations, income and expenditure of the Offeror;
- (f) there will be no substantial impairment to the carrying value of the Offeror's property, plant and equipment and other assets;
- (g) there will be no termination of any significant agreements or contracts from which the legal rights accruing to the Offeror, in respect of the principal activities are derived; Such agreements or contracts are assumed to be renewed based on current terms upon expiry; and
- (h) any legal proceedings against the Offeror does not adversely and materially affect the activities or performance of the Offeror or give rise to any contingent liability which will materially affect the financial position or business of the Offeror.

As such, the Competent Adviser has utilised the following valuation methodologies and assumptions in arriving at the Estimated RCPS Value:

- (i) NAV methodology

In arriving at the Estimated RCPS Value, the Competent Adviser had adopted the NAV methodology, which refers to the total value of all assets owned by the entity. This may include cash, investments, real estate, inventory, equipment, intellectual property, and any other tangible or intangible assets. NA is determined by subtracting the total value of liabilities from the total asset value. Liabilities may include debt, accounts payable, accrued expenses, and any other obligations owed by the entity. In addition, any necessary adjustments may require for items such as depreciation, amortization, and revaluation of assets or liabilities to reflect their current fair market values.

For the purposes of arriving at both the NAVs of the Offeror and the Offeree, the Competent Adviser had taken into consideration the consolidated audited financial statements of the Offeror Group and the Offeree Group for the FYE 30 June 2023, respectively, as the audited financial statements provide higher levels of accuracy and reliability during the preparation process.

In preparing the computation of the NAV of the Offeror (taking into consideration the NAV of the Offeree), the Competent Adviser had relied upon the following bases and assumptions:

- (a) investment properties are not being revalued and are being accounted for based on the carrying amount as recorded in the audited financial statements;
- (b) there will be no significant changes to the accounting policies or financial reporting standard of the Offeror;
- (c) corporate income tax will remain at 24% in the near term; and
- (d) there will be no material change in Malaysia's economic conditions and regulatory requirements.

(ii) RVA methodology

RVA involves the use of median of the EV/EBITDA multiples. RVA seeks to compare a company's implied trading multiple to that of comparable companies to determine the firm's financial worth, and is more likely to reflect the current sentiment of the market or expectations on the company from a valuation standpoint. Under the RVA, reference was made to the valuation statistics of the comparable companies to get an indication of the current market expectation with regards to the implied values of the entire equity interest of the Offeror and the Offeree, respectively, and compared the implied trading multiples to determine the respective firms' financial worth.

In arriving at the value of the KUB Shares and the RCPS, the Competent Adviser has adopted the SOPV methodology in view that the Offeror Group comprises different business segments.

The Competent Adviser had considered several valuation multiples and concluded to use the EV/EBITDA multiple to determine the implied values of the entire equity interest of the Offeror and the Offeree, respectively. The Competent Adviser had also considered the use of PE multiple, however this valuation multiple may not be suitable due to the nature of the Offeror's business model.

Companies involved in LPG business typically require significant investments in infrastructure and equipment, resulting in substantial depreciation and amortization expenses. These expenses can distort earnings and lead to fluctuations in the PE multiple. In addition, business in the same industry can have vastly different capital structure where PE multiple did not account for the entire capital structure.

For the purposes of the RVA, the Competent Adviser had identified and selected companies that are primarily involved in distributing LPG for household and industrial use with revenue segmentations primarily being derived mainly from distributing LPG (over 51% of total revenues) with the market capitalisation that sits below RM1 billion been listed on regional stock exchanges in South-east Asia for more than 2 years and are profit making (collectively referred to as "**KUB Comparable Companies**"), as follows:

KUB Comparable Companies ⁽¹⁾	Country	Market capitalisation (RM million)	EV/ EBITDA multiple ⁽²⁾ (times)	Adjusted market capitalisation ⁽³⁾ (RM million)	Adjusted EV/EBITDA multiple ⁽³⁾ (times)
WP Energy Public Company Limited	Thailand	263.6	4.8	188.1	3.2
Southern Gas Trading Joint Stock Company	Vietnam	275.9	5.7	240.0	4.8
Union Gas Holdings Limited	Singapore	438.9	5.7	229.8	3.4
Pryce Corporation	Philippines	831.7	2.8	700.1	2.3
Average			4.7		3.4
Median			5.2		3.3
Quartile 1 ⁽⁴⁾			4.3		3.0
Quartile 3 ⁽⁵⁾			5.7		3.8

Notes:

- (1) *The KUB Comparable Companies are by no means exhaustive and may differ from the Offeror in terms of, inter alia, composition of business activities, scale of operations, geographical location of operations, profit track record, financial profile, risk profile, future prospects, capital structure, marketability of their securities and other criteria.*
- (2) *Calculated based on the closing market prices and the trailing 12-months financial results as at the Opinion Date, as extracted from S&P Capital IQ.*
- (3) *As the KUB Comparable Companies are listed on foreign stock exchanges, the Competent Adviser has adjusted the market capitalisation of the respective KUB Comparable Companies to the Malaysian context.*
- (4) *Represents the value at the 25th percentile of a dataset.*
- (5) *Represents the value at the 75th percentile of a dataset.*

The Competent Adviser has considered the following factors upon selecting companies with market capitalisation with RM1.0 billion and below:

- (i) **Similarity in Size:** By focusing on companies with market capitalisations below RM1.0 billion, it is to ensure that the selected comparables are of similar size to the company being valued. This enhances the relevance and accuracy of the comparison, as companies of comparable size often face similar market dynamics, growth prospects, and risk profiles. Additionally, the Competent Adviser has taken into consideration that the market capitalisation of KUB will increase by approximately RM119.42 million from RM517.05 million to RM636.47 million after the Acquisition.
- (ii) **Comparable Risk Profiles:** Smaller companies typically face similar risk profiles, including liquidity risks, operational challenges, and sensitivity to market fluctuations. By selecting comparables with market capitalisations below RM1.0 billion, the Competent Adviser aims to identify companies with risk characteristics that align closely with those of the company being valued.
- (iii) **Reflective of Market Segment:** Companies with market capitalisations below RM1.0 billion often belong to similar market segments or sectors. Focusing on this segment ensures that the selected comparables are representative of the company's industry or sector, facilitating a more accurate benchmarking of financial performance and valuation metrics.

The Competent Adviser had also updated the EV/EBITDA multiples of comparable companies identified for the Offeree up until the Opinion Date, based on the list of comparable companies identified for the Offeree disclosed in the Circular (“CCB Comparable Companies”), as follows:

CCB Comparable Companies ⁽¹⁾	Country	Market capitalisation (RM million)	EV/ EBITDA multiple ⁽²⁾ (times)	Adjusted market capitalisation ⁽⁵⁾ (RM million)	Adjusted EV/EBITDA multiple ⁽⁵⁾ (times)
Southern Cable Group Berhad	Malaysia	380.0	8.3	422.5	9.0
PT Jembo Cable Company Tbk	Indonesia	68.3	4.7	64.3	4.6
PT Kabelindo Murni Tbk	Indonesia	84.3	5.9	62.6	5.0
PT KMI Wire and Cable Tbk	Indonesia	372.0	3.6	333.8	3.0
PT Sumi Indo Kabel Tbk	Indonesia	178.2	2.7	85.8	1.4
Taya Viet Nam Electric Wire and Cable Joint Stock Company	Vietnam	59.7	9.0	41.4	6.8
Average			5.7		5.0
Median			5.3		4.8
Quartile 1 ⁽³⁾			3.8		3.4
Quartile 3 ⁽⁴⁾			7.7		6.4

Notes:

- (1) *The CCB Comparable Companies are by no means exhaustive and may differ from the Offeror in terms of, inter-alia, composition of business activities, scale of operations, geographical location of operations, profit track record, financial profile, risk profile, future prospects, capital structure, marketability of their securities and other criteria.*
- (2) *Calculated based on the closing market prices and the trailing 12-months financial results as at the Opinion Date, as extracted from S&P Capital IQ.*
- (3) *Represents the value at the 25th percentile of a dataset.*
- (4) *Represents the value at the 75th percentile of a dataset.*
- (5) *As some of the CCB Comparable Companies are listed on foreign stock exchanges, the Competent Adviser has adjusted the market capitalisation of the respective CCB Comparable Companies to the Malaysian context.*

The table below sets out the fair market value of the entire equity interest of the Offeror (taking into consideration 86.65% equity interest of the Offeree) derived from using EV/EBITDA multiple and SOPV method as at the Opinion Date:

	100% equity interest of Offeror - A (RM'000)	86.65% equity interest of Offeree ⁽¹⁾ - B (RM'000)	Total equity interest - A+B (RM'000)	Value per KUB Share ⁽²⁾ (RM)
Average	536,537	89,130	625,668	1.12
Median	530,985	85,917	616,902	1.11
Quartile 1 ⁽³⁾	515,955	63,078	579,033	1.04

	100% equity interest of Offeror - A	86.65% equity interest of Offeree ⁽¹⁾ - B	Total equity interest - A+B	Value per KUB Share ⁽²⁾
Quartile 3 ⁽⁴⁾	551,567	112,494	664,061	1.19

Notes:

- (1) Based on the maximum adjusted EV/EBITDA multiple of the CCB Comparable Companies, the maximum value ascribed by the Competent Adviser for 86.65% equity interest of the Offeree is RM157.09 million.
- (2) Based on the total number of 556,464,690 KUB Shares in issue as at the Opinion Date.
- (3) Represents the value at the 25th percentile of a dataset.
- (4) Represents the value at the 75th percentile of a dataset.

In addition, the following scenarios illustrate the effect towards the value per KUB Share:

- (1) Assuming all Holders opt for the Cash Option and full redemption of RCPS held by JAG:

	Total equity interest of Offeror and Offeree (before the Offer) - A (RM'000)	Less: Cash payments for redemption of RCPS and settlement of the Cash Option - B (RM'000)	Total equity interest of Offeror and Offeree (after the Offer) - A-B (RM'000)	Value per KUB Share ⁽¹⁾ (RM)
Average	639,400	(137,820)	501,580	0.90
Median	630,139	(137,820)	492,319	0.88
Quartile 1 ⁽²⁾	588,751	(137,820)	450,931	0.81
Quartile 3 ⁽³⁾	681,393	(137,820)	543,573	0.98

Notes:

- (1) Based on the total number of 556,464,690 KUB Shares in issue as at the Opinion Date.
- (2) Represents the value at the 25th percentile of a dataset.
- (3) Represents the value at the 75th percentile of a dataset.

- (2) Assuming all Holders opt for the Securities Option and full conversion of all RCPS held by JAG and the Holders into new KUB Shares:

	Total equity interest of Offeror and Offeree (before and after the Offer) ⁽¹⁾ (RM'000)	Value per KUB Share ⁽²⁾ (RM)
Average	639,400	0.81
Median	630,139	0.80
Quartile 1 ⁽³⁾	588,751	0.75
Quartile 3 ⁽⁴⁾	681,393	0.87

Notes:

- (1) No change in total equity interest of Offeror and Offeree before and after the Offer, as there is no cash payments for redemption of RCPS and settlement of the Cash Option under this scenario.

- (2) Based on the enlarged number of KUB Shares in issue of 786,164,040 assuming full conversion of all RCPS held by JAG and the Holders into new KUB Shares.
- (3) Represents the value at the 25th percentile of a dataset.
- (4) Represents the value at the 75th percentile of a dataset.

Please refer to **Appendix VI** of this Offer Document for the Valuation Letter.

11. BACKGROUND INFORMATION ON THE OFFEROR AND THE PACS

11.1. Offeror

KUB was incorporated in Malaysia on 21 June 1965 as a public limited company under the name of Sharikat Permodalan dan Perusahaan Perak Berhad (Limited) and changed its name to Permodalan Perak Berhad on 28 April 1995. On 19 October 1996, it changed to its present name and has been listed on the Main Market of Bursa Securities since 18 August 1997.

KUB is principally engaged in the business of investment holding and provision of management services to its subsidiaries, which are mainly involved in the LPG Business, LPG storage, property management, assembly and commissioning of telecommunication equipment, as well as the Power Business.

Further information on KUB is set out in **Appendix IV** of this Offer Document.

11.2. PACs of the Offeror

As at the LPD, the PACs for the purpose of the Offer in accordance with subsections 216(2) and 216(3) of the CMSA are JAG, DSJ, Amir Nashrin Bin Johari and Amir Rasyidi Bin Johari. Further information on each of the PACs are as follows:

(a) JAG

JAG was incorporated on 22 March 2004 in Malaysia under the Companies Act 1965 and is deemed registered under the Act as an exempt private company limited by shares. JAG is principally involved in investment holding.

As at the LPD, the total issued share capital of JAG is RM320,000,000 comprising 100,000,000 ordinary shares and 220,000,000 preference shares.

As at the LPD, the shareholders and directors of JAG as well as their respective holding of ordinary shares in JAG (“**JAG Shares**”) are as follows:

	<u>Nationality</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of JAG Shares</u>	<u>%</u>	<u>No. of JAG Shares</u>	<u>%</u>
<u>Shareholder</u>					
DSJ	Malaysian	96,000,000	96.00	-	-
<u>Shareholder and Director</u>					
DZH	Malaysian	4,000,000	4.00	-	-
<u>Directors</u>					
Amir Rasyidi Bin Johari	Malaysian	-	-	-	-
Amir Nashrin Bin Johari	Malaysian	-	-	-	-

As at the LPD, all the preference shares in JAG are held by DSJ.

(b) DSJ

DSJ is the former Chairman and Non-Independent Non-Executive Director of KUB. He is also the controlling shareholder of JAG. He is the father of Amir Nashrin Bin Johari and Amir Rasyidi Bin Johari.

(c) Amir Nashrin Bin Johari

Amir Nashrin Bin Johari is the son of DSJ and the brother of Amir Rasyidi Bin Johari. He holds directorship in JAG, KUB and CCB.

(d) Amir Rasyidi Bin Johari

Amir Rasyidi Bin Johari is the son of DSJ and brother of Amir Nashrin Bin Johari. He is also a director of JAG.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The KUB Board has seen and approved this Offer Document and has taken reasonable care to ensure the facts stated and opinions expressed in this Offer Document are fair and accurate. The KUB Board and each director of the KUB Board, individually and collectively, accept full responsibility for the accuracy of information contained in this Offer Document and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements and information or other material facts, the omission of which would make any statement in this Offer Document false or misleading.

The information relating to CCB was obtained from and confirmed by the directors and management of CCB, and/or obtained from any public information available in relation to CCB. The sole responsibility of the KUB Board is therefore restricted to ensuring the accurate reproduction of the said information in this Offer Document.

Maybank IB acknowledges that, based on all available information and to the best of its knowledge and belief, this Offer Document constitutes a full and true disclosure of all material facts concerning the Offer.

13. FURTHER INFORMATION

For further information, please refer to the attached appendices which form part of this Offer Document.

YOU SHOULD CONSIDER THE CONTENTS OF THIS OFFER DOCUMENT AS WELL AS THE INDEPENDENT ADVICE CIRCULAR TO BE ISSUED AND THE RECOMMENDATIONS THEREIN BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER.

IF YOU WISH TO ACCEPT THE OFFER, YOU SHOULD COMPLETE AND SIGN THE ACCOMPANYING FORM OF ACCEPTANCE AND TRANSFER ACCORDING TO THE INSTRUCTIONS THEREIN.

YOU DO NOT NEED TO TAKE ANY ACTION SHOULD YOU DECIDE NOT TO ACCEPT THE OFFER.

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

1. WARRANTIES

The Offeror will acquire the Offer Shares based on the acceptance of the Offer by a Holder in accordance with the terms and conditions of this Offer Document, which is deemed by the Offeror to be a Valid Acceptance. A Valid Acceptance will be deemed to constitute an irrevocable and unconditional warranty by the Accepting Holder that the Offer Shares, to which the acceptance relates, are sold:

- (i) free from any moratoriums, claims, charges, liens, pledges, encumbrances, options, rights of pre-emption, third party rights and equities from the date of valid acceptances; and
- (ii) with all attached rights, benefits and entitlements, including the right to all Distributions declared, made or paid on or after the date of the Notice, subject to adjustments referred to in **Section 2.1** of this Offer Document.

2. DURATION OF THE OFFER

- 2.1 The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) on Friday, 12 April 2024, being the First Closing Date, or such later Closing Date, unless the Offeror withdraws the Offer with the SC's written consent and in such event, every person shall be released from any obligation incurred under the Offer.

Any extension of the period of acceptance of the Offer by the Offeror will be announced by Maybank IB, on behalf of the Offeror, at least 2 days before the Closing Date. Such announcement will state the next Closing Date. Notice of such extension will be posted to the Holders accordingly.

2.2 Competing Offer

Where a competing take-over offer, if any, is made any time between the Posting Date and the Closing Date, the Posting Date will be deemed to be the date the offer document of the competing take-over offer was posted.

2.3 Revision of the Offer

If the Offer is revised after the Posting Date, the Offer will remain open for acceptances for a period of at least 14 days from the date of posting of the written notification of the revised take-over offer to the Holders. Where any of the terms of the Offer are revised, the benefits of the revised Offer will be made available to the Holders who have previously accepted the Offer. The Offeror may not revise the Offer after the 46th day from the Posting Date or the date the offer document of the competing take-over offer was posted, if any.

2.4 Closing of the Offer

As the Offer is not conditional upon any minimum level of acceptances, the Closing Date will be no later than Sunday, 19 May 2024, being the 60th day from the Posting Date, if extended. However, in accordance with paragraph 2.03 of the Rules, the period will be extended to Monday, 20 May 2024.

3. RIGHTS OF WITHDRAWAL BY AN ACCEPTING HOLDER

- (i) All valid acceptances by an Accepting Holder **SHALL BE IRREVOCABLE**. However, an Accepting Holder is entitled to withdraw his/her acceptance immediately if the Offeror fails to comply with any of the requirements set out in Section 5(i) of **Appendix I** of this Offer Document by the close of trading on Bursa Securities on the Relevant Day, as the case may be.

- (ii) Notwithstanding **Section 3(i)** of **Appendix I** of this Offer Document, the SC may terminate the above right of withdrawal not less than eight (8) days from the date on which the Offeror has complied with the requirements set out in **Section 5(i)** of **Appendix I** of this Offer Document.
- (iii) However, the rights of any Holder who has already withdrawn his/her acceptance shall not be prejudiced by the termination of such right of withdrawal by the SC.

4. WITHDRAWAL OF THE OFFER BY THE OFFEROR

The Offeror may only withdraw the Offer with the prior written consent of the SC.

5. ANNOUNCEMENT OF ACCEPTANCES

- (i) The Offeror shall inform the SC in writing and announce via Bursa LINK and simultaneously announce by way of a press notice before 9.00 a.m. (Malaysian time) on the Relevant Day, the following information:
 - (a) the status of the Offer, that is, as to whether the Offer is closed, revised or extended; and
 - (b) the total number of Offer Shares:
 - (1) for which Valid Acceptances have been received after the Posting Date;
 - (2) held by the Offeror and persons acting in concert as at the Posting Date; and
 - (3) acquired or agreed to be acquired by the Offeror and persons acting in concert during the Offer Period but after the Posting Date,and specifying the percentage of CCB Shares represented by these numbers.
- (ii) In computing the acceptances of the Offer Shares for announcement purposes, the Offeror may include or exclude acceptances which are not in order in all respects or which are subject to verification.
- (iii) References to the making of an announcement or the giving of notice by the Offeror include the following:
 - (a) the release of an announcement by Maybank IB, the Offeror or the Offeror's advertising agent(s) by way of a press notice; and/or
 - (b) the release of an announcement to Bursa Securities by the Offeror.
- (iv) An announcement made otherwise than to Bursa Securities will be notified simultaneously to Bursa Securities, if applicable.

6. PURCHASES OF THE OFFER SHARES

- (i) In compliance with paragraph 6.03 of the Rules, if the Offeror or persons acting in concert purchase or agree to purchase any Offer Shares during the Offer Period at a consideration that is higher than the Offer Price, the Offeror shall increase the consideration for the Offer Shares to be not less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by the Offeror or persons acting in concert for the Offer Shares during the Offer Period.

- (ii) In the event the Offeror increases the consideration for the Offer Shares, Holders who have accepted the Offer prior to the revision in the Offer Price will be paid the revised price in cash (should the Holders elect for the Cash Option) or via the number of new RCPS to be issued as consideration represented by the revised price (should the Holders elect for the Securities Option).

7. GENERAL

- (i) All communications, notices, documents and payments to be delivered or sent to the Holders (or their designated agents, as they may direct) will be posted by ordinary mail to the Holder's registered Malaysian address in the register of members maintained by CCB's company secretary, at their own risk.

Non-Resident Holders without registered Malaysian addresses maintained by CCB's company secretary but who wish to receive communications, notices, documents, and payments in relation to the Offer should ensure that they have their foreign mailing addresses changed to a registered Malaysian address.

In any event, this Offer Document will be made available on the website of Bursa Securities by the Offeror at www.bursamalaysia.com upon issuance.

Unless the contrary is proven, delivery of the communication, notice, document or payment shall be presumed to be effected by properly addressing, prepaying and posting by ordinary mail, the communication, notice, document or payment such delivery will be presumed to have been effected at the time when the document would have been delivered in the ordinary course of mail.

- (ii) The Offer and all Valid Acceptances will be construed under and governed by the laws of Malaysia. The Offeror and the Holders will submit to the exclusive jurisdiction of the courts of Malaysia in respect of any proceedings brought in relation to the Offer.
- (iii) Holders may accept the Offer in respect of all or part of their Offer Shares. However, the acceptance of Holders shall not exceed their total holding of the Offer Shares, failing which the Offeror has the right to treat such acceptances as invalid. Nevertheless, the Offeror also reserves the right to treat any acceptance of the Holders exceeding their total holding of the Offer Shares as valid to the extent of their holding of the Offer Shares.
- (iv) The Form of Acceptance and Transfer accompanying this Offer Document will contain the following:
 - (a) provisions for the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or its appointed nominee(s) (if any);
 - (b) instructions to complete the Form of Acceptance and Transfer; and
 - (c) other matters incidental to the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or its appointed nominee(s) (if any).

No acknowledgement of the receipt of the Form of Acceptance and Transfer will be issued.

- (v) The Offeror will bear all costs and expenses of or incidental to the preparation and posting of this Offer Document (other than professional fees and other costs relating to the Offer incurred by CCB). The Offeror will also bear the cost of Malaysian stamp duty and Malaysian transfer fees, if any, resulting from the Valid Acceptances. Accepting Holders will however, bear all costs, expenses or other requisite payments incidental to their acceptance of the Offer such as postage fee and/or any capital gains tax that may be applicable to any Holder who are not individuals, if any.

APPENDIX I - OTHER TERMS AND CONDITIONS OF THE OFFER *(Cont'd)*

- (vi) Any accidental omission to post this Offer Document and the Form of Acceptance and Transfer to any Holder will not invalidate the Offer in any way.

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1. PROCEDURES FOR ACCEPTANCE

- 1.1 If you have any queries relating to the procedures for acceptance of the Offer, you may contact the Registrar for the Offer from 8.30 a.m. (Malaysian time) to 5.00 p.m. (Malaysian time) on Mondays to Fridays (excluding public holidays in Malaysia):

Boardroom Share Registrars Sdn Bhd
(Registration No. 199601006647 (378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor, Malaysia

Contact No. : +603 7890 4700 (Tel)
 : +603 7890 4670 (Fax)

- 1.2 **Sections 1.2(a) to 1.2(c)** below set out the steps required to be taken by you (either individuals or corporations) to accept the Offer.

(a) **Step 1: Obtain transfer documents**

The Form of Acceptance and Transfer are enclosed with this Offer Document. You can also obtain a copy from the Registrar for the Offer, whose contact details are shown above. You may also download the Form of Acceptance and Transfer from the website of Bursa Securities at www.bursamalaysia.com.

(b) **Step 2: Complete the transfer documents**

Complete and duly execute the Form of Acceptance and Transfer in accordance with the instructions contained therein (the instructions form part of the terms of the Offer). If you are a corporation, you must affix your common seal on the Form of Acceptance and Transfer which must be witnessed in accordance with your Constitution or other regulations and signed on your behalf by an authorised officer or attorney.

(c) **Step 3: Submitting the Form of Acceptance and Transfer**

Submit the following in the enclosed envelope to the Registrar for the Offer, Boardroom Share Registrar Sdn Bhd at the address shown in **Section 1.1** of this Appendix, latest by 5.00 p.m. on the Closing Date:

- (i) completed and duly executed Form of Acceptance and Transfer;
- (ii) original share certificate(s);
- (iii) if you are a corporation, a copy of the resolution of the board of directors of the Holder approving the acceptance of the Offer and transfer of the Offer Shares to KUB or its nominated companies, specifying the exact number of Offer Shares involved and making reference to this Offer Document, certified by a director or the company secretary of the Holder to be a true and accurate copy and in full force and effect; and
- (iv) any other accompanying document(s) as required under the instructions contained in the Form of Acceptance and Transfer.

- 1.3 You may accept the Offer made to you in respect of all or part of your Offer Shares. If you intend to accept the Offer for only a portion of the Offer Shares that you hold, you are required to produce the original share certificate(s) to CCB's company secretary to split the share certificate(s) of your Offer Shares into various share certificate(s) representing the exact portion of the Offer Share that you wish to accept and the balance of the Offer Shares that you do not wish to accept, before you can accept the Offer. CCB's company secretary will then issue new share certificate(s) to you. It is your responsibility to obtain the new share certificate(s) before accepting the Offer and giving yourself sufficient time to perform the steps set out in **Sections 1.2(a) to (c)** of this Appendix by 5.00 p.m. on the Closing Date.
- 1.4 You do not need to take any action if you do not wish to accept the Offer.
- 1.5 The Form of Acceptance and Transfer must be completed in English or Bahasa Malaysia and submitted to the Registrar for the Offer, at the address shown in **Section 1.1** of this Appendix.
- 1.6 Please type or write clearly in ink using BLOCK LETTERS. Amendments on the Form, if any, must be clearly legible and should be countersigned by you in full. There shall be no amendments made to the Form of Acceptance and Transfer. The Form of Acceptance and Transfer defaced by erasures by any kind of correcting fluid will be rejected.
- 1.7 No acknowledgement of receipt of the Form of Acceptance and Transfer and/or any of the accompanying acceptance document(s) will be issued. All acceptances and accompanying documents sent by post are at your own risk.
- 1.8 If you fail to comply with any of the terms and conditions pertaining to the acceptance of the Offer as set out in this Appendix, in the Form of Acceptance and Transfer, the Offeror may, at its discretion, consider that you have not accepted the Offer.
- 1.9 You may obtain additional copies of this Offer Document and the accompanying Form of Acceptance and Transfer from the office of the Registrar for the Offer during normal business hours from 8.30 a.m. (Malaysian time) to 5.00 p.m. (Malaysian time) from Monday to Friday (except public holidays), from the Posting Date to the Closing Date or from the website of Bursa Securities at www.bursamalaysia.com.
- 1.10 Invalid acceptances will be returned by ordinary mail at the Holders' own risk within 14 days after the Closing Date.

2. METHOD OF SETTLEMENT

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

Where there are valid acceptances, the settlement for the Offer Shares to which such acceptance relate will be effected in the following manner:

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

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

3. NON-RESIDENT HOLDER

All references to "you" in this Section are to a Non-Resident Holder.

This Offer Document and all documents relating to the Offer have not been (and will not be) sent to Non-Resident Holders who do not have an address in Malaysia. If you are a Non-Resident Holder and you wish to receive this Offer Document, you may provide an address in Malaysia to the Registrar for the Offer for the delivery of the Offer Document. Non-Resident Holders may also collect this Offer Document from the Registrar for the Offer. The Offeror will not make or be bound to make any enquiry as to whether Non-Resident Holders have a registered address in Malaysia.

3.1 Responsibility of a Non-Resident Holder

- (i) The making of the Offer to you may be affected by the laws or regulations of the relevant jurisdiction of your residence. You should keep yourself informed about and observe any applicable legal requirements in your relevant jurisdiction.
- (ii) The Offer is being made in Malaysia only. The Offer and this Offer Document, together with the Form of Acceptance and Transfer, have not been made to comply with the laws of any countries or jurisdictions other than the laws of Malaysia. Accordingly, you may not treat this Offer Document, the Form of Acceptance and Transfer and/or any other Offer-related documentation as an invitation or offer to sell securities or participate in the Offer in any jurisdiction other than Malaysia.
- (iii) You may be subject to or be limited by, the laws and regulations of your relevant jurisdiction in connection with your participation in the Offer.
- (iv) You will be responsible to satisfy yourself as to the full observance of the laws of your relevant jurisdiction and in Malaysia in connection with the acceptance of the Offer. You are also responsible for obtaining any governmental, exchange control or other consents which may be required and for complying with the necessary formalities and legal and regulatory requirements.

- (v) You will also be solely responsible for the payment of any transfer fees, taxes, duties or other requisite payment due in such jurisdiction. The Offeror, the Registrar for the Offer and Maybank IB shall be entitled to be fully indemnified and held harmless by you for any transfer fee, tax, duties or other requisite payment which you may be required to pay.
- (vi) You should consult your professional advisers in the relevant jurisdiction on compliance with legal and other applicable requirements. Acceptance of the Offer by you shall be deemed to constitute a representation and warranty to the Offeror, the Registrar for the Offer and Maybank IB that:
 - (a) you are in full observance of the laws of your relevant jurisdiction and Malaysia;
 - (b) you have not received copies or originals of this Offer Document, the Form of Acceptance and Transfer or any other Offer related documentation in, into or from a Restricted Jurisdiction;
 - (c) you have not, in connection with the Offer or the execution or delivery of the Form of Acceptance and Transfer, utilised, directly or indirectly, the mails or any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction;
 - (d) you are not accepting the Offer from a Restricted Jurisdiction and in accepting the Offer, you are in full compliance with all necessary formalities and legal and regulatory requirements of the relevant jurisdiction; and
 - (e) you would not cause the Offeror, the Registrar for the Offer and Maybank IB to be in breach of the laws of the relevant jurisdiction.

3.2 Treatment of Offer Document and/or the Form of Acceptance and Transfer in relation to a Non-Resident Holder

- (i) The release, publication or distribution of this Offer Document, the Form of Acceptance and Transfer and/or any other Offer related documentation in any jurisdiction other than Malaysia may be affected by the laws or regulations of relevant jurisdictions. If you wish to accept the Offer, you should observe any applicable legal requirements in your relevant jurisdiction.
- (ii) The Offer is not being extended, and will not be extended directly or indirectly, in or into, or by use of mails or any means of instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within such Restricted Jurisdiction (unless otherwise determined by the Offeror). Accordingly, copies of this Offer Document, the Form of Acceptance and Transfer and/or any other Offer related documentation are not being and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction.
- (iii) You (including without limitation, your custodians, nominees and trustees) must not, in connection with the Offer, distribute or send this Offer Document, the Form of Acceptance and Transfer and/or any other Offer related documentation into any Restricted Jurisdiction. If you or your agent or nominee receives this Offer Document, Form of Acceptance and Transfer and any other Offer related documentation in such Restricted Jurisdiction, the Offer may be deemed invalid and may not be accepted.

- (iv) Your acceptance may be invalid and disregarded unless you have fully complied with the laws of your relevant jurisdiction. If you forward this Offer Document, the Form of Acceptance and Transfer and any other Offer related documentation into any Restricted Jurisdiction, whether because of a contractual or legal obligation or otherwise, you must inform the recipient of the contents of this Section. The Offeror reserves the right to reject a purported acceptance of the Offer from any Non-Resident Holder in any Restricted Jurisdiction.

3.3 Reservation of right over acceptance by a Non-Resident Holder

The Offeror reserves the right, at its absolute discretion, to treat any acceptance as invalid if it believes such acceptance may violate applicable legal or regulatory requirements. However, the Offeror reserves the right to permit your acceptance of the Offer in circumstances where the Offeror is satisfied that your acceptance will not constitute a breach of any securities or other relevant legislation or impose any obligation on the Offeror not contemplated by the Offer.

3.4 Procedures for acceptance for Non-Resident Holders

Subject to **Sections 3.1 and 3.3** of this Appendix, the procedures for acceptance of the Offer set out in **Section 1** of this Appendix also apply to you.

3.5 Method of settlement for a Non-Resident Holder

The method of settlement in **Section 2** of this Appendix also applies to you if you have accepted the Offer and the settlement shall be made in RM or in the form of RCPS which are denominated in RM.

THIS OFFER IS MADE IN COMPLIANCE WITH THE LAWS OF MALAYSIA ONLY. AS SUCH, THIS OFFER DOCUMENT TOGETHER WITH THE FORM OF ACCEPTANCE AND TRANSFER, ONLY COMPLY WITH THE LAWS OF MALAYSIA. THE OFFEROR, THE REGISTRAR FOR THE OFFER AND MAYBANK IB SHALL NOT ACCEPT ANY RESPONSIBILITY OR LIABILITY IN THE EVENT THAT ANY ACCEPTANCE OF THE OFFER BY A NON-RESIDENT HOLDER IS OR SHALL BECOME ILLEGAL, UNENFORCEABLE, VOIDABLE OR VOID IN SUCH COUNTRIES OR JURISDICTIONS OUTSIDE MALAYSIA.

NON-RESIDENT HOLDERS SHOULD THEREFORE IMMEDIATELY CONSULT THEIR PROFESSIONAL ADVISERS IN RELATION TO THE OBSERVANCE OF THE ABOVE AND ANY OTHER APPLICABLE LAWS. NON-RESIDENT HOLDERS SHALL BE RESPONSIBLE FOR PAYMENT OF ANY LEVY, FEE, COMMISSION OR COST THAT MAY BE REQUIRED IN CONNECTION WITH THEIR ACCEPTANCE OF THE OFFER OR REMITTANCE OF ANY AMOUNT DUE TO THEM AND SHALL KEEP THE OFFEROR, THE REGISTRAR FOR THE OFFER AND MAYBANK IB INDEMNIFIED FOR THE PAYMENT OF SUCH FEE OR COMMISSION. PLEASE REFER TO SECTION 3 OF THIS APPENDIX FOR FURTHER INFORMATION.

APPENDIX III - SALIENT TERMS OF THE RCPS

Issuer	:	KUB
Issue Size	:	Up to 229,699,350 RCPS (comprising 199,035,059 pursuant to the Acquisition and 30,664,291 pursuant to the Offer).
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 KUB Board 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 PAT 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) despatch 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>

APPENDIX III - SALIENT TERMS OF THE RCPS (Cont'd)

<p>Rights to receive notices, reports and attend meetings and voting rights</p>	<p>:</p>	<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>
<p>Mandatory conversion on Maturity Date</p>	<p>:</p>	<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>
<p>Redemption period</p>	<p>:</p>	<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>
<p>Redemption</p>	<p>:</p>	<p>KUB may, subject to and in accordance with Section 72 of the Act, 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>
<p>Listing status</p>	<p>:</p>	<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>
<p>Transferability</p>	<p>:</p>	<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>
<p>Ranking of the RCPS</p>	<p>:</p>	<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>

APPENDIX III - SALIENT TERMS OF THE RCPS (Cont'd)

		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.
Ranking of new KUB Shares to be issued upon conversion of the RCPS	:	The new KUB Shares to be issued upon conversion of the RCPS shall rank equally in all respects with the 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.
Governing law	:	The RCPS will be governed under the laws of Malaysia.

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1. HISTORY AND BUSINESS

KUB was incorporated in Malaysia on 21 June 1965 as a public limited company under the name of Sharikat Permodalan dan Perusahaan Perak Berhad (Limited) and changed its name to Permodalan Perak Berhad on 28 April 1995. On 19 October 1996, it changed to its present name and has been listed on the Main Market of Bursa Securities since 18 August 1997. KUB's principal activity is investment holding. The principal activities of KUB's subsidiaries and associated companies are as set out in Section 5 of this Appendix.

2. SHARE CAPITAL

2.1 KUB Shares

As at the LPD, the issued share capital of KUB is RM228,862,797 comprising 556,464,690 KUB Shares. Since the end of the last audited financial year, the Offeror has not issued nor bought back any KUB Shares.

The existing KUB Shares rank equally in all respects with one another, in capital, dividends, voting, rights, and in any repayment of capital in the event of liquidation, dissolution or winding-up of KUB.

There is no reorganisation of capital undertaken by the Offeror during the two (2) financial years preceding commencement of the Offer Period.

2.2 RCPS

As at the LPD, there are 199,035,059 RCPS in issue which are entirely held by JAG pursuant to the Acquisition.

The Acquisition was completed following the allotment and issuance of 199,035,059 new RCPS to JAG on 28 February 2024.

The RCPS are unsecured and shall rank equally in all respects among themselves.

The RCPS shall rank behind all secured and unsecured debt obligations of KUB.

The RCPS shall rank equally (and not in priority) with existing KUB Shares insofar as the right to receive dividends is concerned.

However, 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.

The RCPS shall not carry any voting rights in respect of any shareholders' resolutions or at any general meeting of KUB save and except in respect of any resolution made on a proposal to reduce KUB's share capital, on a proposal for the disposal of substantially the whole of the KUB's property, business and undertaking, on a proposal to wind up KUB, during the winding up of KUB; or on any proposal that affects the rights and privileges attached to the RCPS, including the amendments to KUB's Constitution.

The new KUB Shares to be issued upon conversion of the RCPS shall, upon allotment and issuance, rank equally in all respects with the existing KUB Shares, save and except that the new KUB Shares issued from the conversion of the RCPS shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid to the shareholders, the entitlement date of which is prior to the date of allotment of such new KUB Shares.

APPENDIX IV - INFORMATION ON THE OFFEROR (Cont'd)

Please refer to **Appendix III** of this Offer Document for further information regarding the salient terms of the RCPS.

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of KUB and their respective shareholding in KUB are as follows:

Substantial shareholder	Direct		Indirect	
	No. of KUB Shares ('000)	%	No. of KUB Shares ('000)	%
JAG	346,556	⁽¹⁾ 62.28	-	-
DSJ	-	-	⁽²⁾ 346,556	62.28

Notes:

- (1) Based on the Record of Depositors of KUB as at the LPD.
(2) Deemed interest by virtue of his shareholding in JAG pursuant to Section 8 of the Act.

4. DIRECTORS

As at the LPD, the directors of KUB are as follows:

Name	Nationality	NRIC No.	Designation	Date of appointment/ re-designation	Correspondence address
Datuk Norliza Binti Abdul Rahim	Malaysian	690310-07-5130	Chairman/Independent Non-Executive Director ("INED")	<ul style="list-style-type: none"> 28 August 2018 (date of appointment) 12 December 2023 (date of re-designation) 	No. 64, Jalan Mesjid Negeri, 11600 George Town, Pulau Pinang, Malaysia
Dato' Ahmad Bin Hj Ibhijajar	Malaysian	500417-07-5069	INED	27 November 2015	355C, Jalan Pemancar, 11700 Gelugor, Pulau Pinang, Malaysia
Teh Bee Tein	Malaysian	560118-08-5288	INED	19 January 2023	No. 77, SS19/1G, Subang Jaya, 47500 Petaling Jaya, Selangor, Malaysia
Datuk Haji Mohd Haniff Bin Haji Koslan	Malaysian	590312-71-5551	INED	25 August 2016	Lot 2953, Jalan Tiga Kemensah Heights, Hulu Kelang, 68000 Ampang, Selangor, Malaysia

APPENDIX IV - INFORMATION ON THE OFFEROR (Cont'd)

<u>Name</u>	<u>Nationality</u>	<u>NRIC No.</u>	<u>Designation</u>	<u>Date of appointment/ re-designation</u>	<u>Correspondence address</u>
Megat Joha Bin Megat Abdul Rahman	Malaysian	630330-10-7617	Non-Independent and Non-Executive Director ("NINED")	4 March 2019	No. 2, Jalan Pidato U2/47, TTDI Jaya, 40150 Shah Alam, Selangor, Malaysia
Amir Nashrin Bin Johari	Malaysian	941202-14-6089	NINED	6 March 2024	A-21-02, Mutiara Upper East Ampang 39, Jalan 1/76, Desa Pandan, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Tee Beng Thong	Malaysian	670331-10-5505	INED	1 October 2020	16, Jalan Setia Damai U13/15C, Setia Alam, Seksyen 13 40710 Shah Alam Selangor, Malaysia
Ahmed Fairuz Bin Abdul Aziz	Malaysian	780804-14-5417	Group Managing Director	1 October 2020	No. 12, Jalan 37/70A, Desa Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia

As at the LPD, none of the directors of the Offeror has any interest, whether direct or indirect, in KUB Shares.

As at the LPD, the emoluments of the directors of KUB will not be affected by the Offer or by any associated transactions.

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of the subsidiaries and associated companies of KUB as at the LPD are as follows:

<u>Name</u>	<u>Place of incorporation</u>	<u>Effective equity interest (%)</u>	<u>Principal activities</u>
Solar Gas Sdn Bhd	Malaysia	100.00	Manufacture (processing, refilling, storing, blending, break bulking, bottling), importing, wholesale, marketing and distribution of petroleum products including liquefied petroleum gas, natural gas and related accessories

APPENDIX IV - INFORMATION ON THE OFFEROR (Cont'd)

Name	Place of incorporation	Effective equity interest (%)	Principal activities
KUB Ekuiti Sdn Bhd	Malaysia	100.00	Investment holding
KUB Agro Holdings Sdn Bhd	Malaysia	100.00	Investment holding and provision of management services to its subsidiaries, and business of planting, growing, cultivating, producing and raising plantations of palm oil or other palms and various forest species of proven utility and maintaining, conserving, protecting, preserving, tending, exploiting and managing in all respect crops of trees
Peraharta Sdn Bhd	Malaysia	100.00	Property management, maintenance and development for sale and rental
KUB Power Sdn Bhd	Malaysia	100.00	Supply and erection of electrical substations and transmission lines
KUB Telekomunikasi Sdn Bhd	Malaysia	60.00	Assembling, commissioning and maintenance of information technology and telecommunication equipment
Connecta Sdn Bhd	Malaysia	60.00	Other telecommunications activities N.E.C., other information technology service activities N.E.C.
KUB Maju Mill Sdn Bhd	Malaysia	66.00	Processing of palm oil
KUB Gas Terminal Sdn Bhd	Malaysia	100.00	Warehousing and storage services, wholesale of liquefied petroleum gas, and operation of terminal facilities
KUB Development Berhad	Malaysia	100.00	Construction of buildings N.E.C. (not elsewhere classified)
Cybertrek (Malaysia) Sdn Bhd	Malaysia	100.00	Other information technology service activities N.E.C.
Gerik Timber Industries Sdn Bhd	Malaysia	100.00	Sawmilling and planning of wood, rubber wood logging
Empirical Systems (M) Sdn Bhd	Malaysia	100.00	Providing information and communication technology, infrastructure and consultations
KUB Realty Sdn Bhd	Malaysia	100.00	Management of real estate on a fee or contract basis
Central Cables Berhad	Malaysia	86.65 ⁽¹⁾	Manufacturing of cables and wires.
Atlas Wire & Cable Sdn Bhd	Malaysia	86.65 ⁽¹⁾	Manufacturing of wire and cables.

APPENDIX IV - INFORMATION ON THE OFFEROR (Cont'd)

Name	Place of incorporation	Effective equity interest (%)	Principal activities
CCB Cables & Wires Trading Sdn Bhd	Malaysia	86.65 ⁽¹⁾	Trading of cables and wires.
Fumori Industries Sdn Bhd	Malaysia	86.65 ⁽¹⁾	Letting of property and property holding.
KUB Sepadu Sdn Bhd	Malaysia	60.00	Cultivation of oil palm and management of oil palm estate
Associated companies			
Progas Holding Limited	Pakistan	38.00	Investment holding
Sphairon (Malaysia) Sdn Bhd	Malaysia	29.00	Dormant

Note:

(1) Beneficially owned following completion of the Acquisition, pending stamping of the executed form of transfer of securities of CCB dated 28 February 2024.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of KUB based on its audited consolidated financial statements for the FPE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023 are as follows:

	Audited FPE 30 June⁽¹⁾	Audited FYE 30 June		Unaudited FPE 31 December
	2021	2022	2023	2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	584,037	547,963	488,889	247,641
PBT	167,791	33,173	38,879	15,170
PAT	158,575	24,106	33,875	12,175
PAT attributable to the:				
- Owners of KUB	155,562	18,284	33,811	12,376
- Non-controlling interests	3,013	5,822	64	(201)
Number of KUB Shares in issue	556,465	556,465	556,465	556,465
Net EPS (sen) ⁽²⁾	27.96	3.29	6.08	2.22
Dividends per KUB Share (sen)	1.50	1.50	2.00	2.00

Notes:

(1) Due to the change of financial year end from 31 December to 30 June, the KUB Group's financial results presented for 2021 is for an 18-month period ended 30 June 2021.

(2) PAT attributable to the owners of KUB divided by the number of KUB Shares in issue.

There were no exceptional items recorded by KUB based on its audited consolidated financial statements for the FPE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023 respectively.

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of KUB based on its audited consolidated financial statements for the FYE 30 June 2023 are as follows:

	Audited		Unaudited
	As at 30 June 2022	As at 30 June 2023	As at 31 December 2023
	(RM'000)	(RM'000)	(RM'000)
ASSETS			
Non-current assets			
Property, plant and equipment	98,496	97,883	96,483
Investment properties	14,718	11,067	10,806
Right-of-use assets	2,794	1,723	1,068
Finance lease receivables	956	712	672
Investment in associates	45,800	-	-
Other investments	6,591	67,126	68,641
Total non-current assets	169,355	178,511	177,670
Current assets			
Inventories	5,743	3,441	3,739
Trade and other receivables	76,810	52,260	69,171
Contract assets	2,775	266	-
Finance lease receivables	194	245	169
Tax recoverable	1,968	1,355	1,175
Derivative financial assets	-	33	-
Cash, bank balances and deposits	391,930	405,568	371,956
Total current assets	479,420	463,168	446,210
Non-current assets held for sale	2,711	5,857	-
TOTAL ASSETS	651,486	647,536	623,880
EQUITY AND LIABILITIES			
Equity			
Share capital	228,863	228,863	228,863
Reserves	38,454	36,723	38,238
Retained earnings	225,995	251,459	252,706
Non-controlling interests	(14,807)	(14,743)	(14,944)
TOTAL EQUITY	478,505	502,302	504,863
Non-current liabilities			
Borrowings	14	-	-
Lease liabilities	1,203	181	41
Other payables	33,877	34,379	34,379
Deferred tax liabilities	10,511	10,860	10,860
Total non-current liabilities	45,605	45,420	45,280

APPENDIX IV - INFORMATION ON THE OFFEROR (Cont'd)

	Audited		Unaudited
	As at 30 June 2022	As at 30 June 2023	As at 31 December 2023
	(RM'000)	(RM'000)	(RM'000)
Current liabilities			
Trade and other payables	72,067	57,252	71,791
Lease liabilities	1,177	1,114	607
Borrowings	54,023	41,114	2
Derivative financial liabilities	5	-	-
Provision for tax	104	334	1,337
Total current liabilities	127,376	99,814	73,737
TOTAL LIABILITIES	172,981	145,234	119,017
TOTAL EQUITY AND LIABILITIES	651,486	647,536	623,880

8. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**8.1 Material commitments**

As at the LPD, save as disclosed below, the KUB Board is not aware of any material commitments incurred or known to be incurred by the KUB Group which may have a material impact on the profits or NA of the KUB Group:

Capital expenditure	RM'000
Property, plant and equipment:	
Approved and contracted for	1,836
Approved but not contracted for	5,658
	7,494

8.2 Contingent liabilities

As at the LPD, the KUB Board is not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profits or NA of the KUB Group.

9. BORROWINGS

As at the LPD, the KUB Group has nil borrowings.

10. MATERIAL LITIGATION

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

(i) **KUB Sepadu Sdn Bhd (“KUBS”) and the minority shareholders, Medan Sepadu Sdn Bhd and Lembaga Amanah Kebajikan Kaum Melanau Sarawak (“Minority Shareholders”)**

On 28 November 2019, a winding-up petition was filed in the High Court of Malaya at Shah Alam against a subsidiary of the KUB Group, KUBS, by the Minority Shareholders. On 2 December 2019, the Minority Shareholders filed an application for the appointment of interim liquidators for KUBS. The Court granted the order for the appointment of interim liquidators on 9 December 2019 (“**Order for IL**”). The winding-up petition together with the Order for IL was served on KUBS on 16 December 2019.

On 18 December 2019, the immediate holding company of KUBS, KUB Agro Holdings Sdn Bhd (“**KUBAH**”) as the Opposing Contributory filed an application to set aside the Order for IL (“**Setting Aside Application**”). On 20 December 2019, the Court granted a stay on the Order for IL pending the disposal of the winding up petition and/or Setting Aside Application.

On 15 June 2022, the High Court granted a winding up-order and liquidators were appointed. On 17 June 2022, KUBAH filed a Notice of Appeal (“**Winding-Up Appeal**”) as well as an application for stay of execution of the winding-up order (“**Stay Application**”). On 30 September 2022, the Court has decided to dismiss the Stay Application. KUBAH has then filed an appeal for the Stay Application (“**Stay Appeal**”) on 3 October 2022. The Stay Appeal, however, would only be heard on 5 January 2023. In view of this, the KUB Board has decided to withdraw the Stay Appeal and instead to focus on the Winding-Up Appeal. The hearing of the Winding-Up Appeal which was previously fixed on 10 April 2023 has been vacated and converted to a case management. During the case management, the Court has fixed 25 September 2023 as the hearing date.

On 2 December 2022, KUBAH has filed an application to terminate the winding up pursuant to Section 493 of the Act at the Court. On 30 May 2023, the application was dismissed by the High Court. The Winding-Up Appeal was partially heard on 25 September 2023. On 26 September 2023, the Court fixed the continued hearing date for the Winding-Up Appeal on 5 December 2023, which did not proceed and was adjourned to 29 February 2024.

On 29 February 2024, the KUB Board has announced that KUBS and the Minority Shareholders had reached a full and final settlement on the disputes, claims and issues between themselves which resulted in the winding-up petition being brought in the High Court, and was concluded through the setting aside of the Winding-Up Order by way of a consent order being obtained and recorded at the Court of Appeal (“**Consent Order**”). Following this, the Offeror has regained control of KUBS and KUBS has been reclassified as a subsidiary of the Offeror on 29 February 2024.

Upon the recording of the Consent Order, KUBAH and the Minority Shareholders have entered into a share sale and purchase agreement on 1 March 2024 for the purchase of 2,600,000 ordinary shares in KUBS, representing approximately the remaining 40.00% equity interest in KUBS not held by KUBAH from the Minority Shareholders for a total cash consideration of RM60,000,000.

(ii) **Claim by Lembaga Kemajuan Johor Tenggara (“KEJORA”) against KUB, KUB Realty Sdn Bhd (“KUB Realty”) and KUBAH in relation to disposal of two (2) oil palm estates in Kluang, Johor**

On 10 June 2020, KUBAH entered into a conditional sale and purchase agreement (“CSPA”) with Beradin Plantation Sdn Bhd (“BPSB”) for the disposal of two oil palm estates known as Kahang Estate and Sungai Yong Estate measuring in aggregate 2,656.1649 hectares for a total cash consideration of RM158.0 million (“Disposal”). The Disposal was completed on 2 April 2021. Part of the oil palm estates disposed of under the Disposal comprised the following parcels of land for a total cash consideration of RM103,687,500:

- (1) HSD 31404 PTD 4901, In the Mukim of Kahang, District of Kluang, State of Johor
 - (2) HSD 31405 PTD 26005, In the Mukim of Kluang, Kluang District, State of Johor; and
 - (3) HSD 31406 PTD 26006, In the Mukim of Kluang, District of Kluang, State of Johor,
- (collectively the “Lands”).

On 24 February 2023, KEJORA filed a claim at the High Court of Malaya in Johor Bahru (“Court”) against (1) KUB, (2) KUB Realty, (3) KUBAH and (4) BPSB. The claim was served on KUB, KUB Realty and KUBAH on 2 March 2023. KEJORA alleges that the Lands were previously registered in its name as registered proprietor under a 99-year lease, and had been leased by KEJORA as lessor to Koperasi Usaha Bersatu Malaysia Berhad (“Koperasi”) as lessee for 95 years. KEJORA contends that the Lands had subsequently been wrongfully transferred to KUB Realty by Koperasi and that it remains entitled to the Lands as the original lawful registered proprietor of the Lands under the head lease. KEJORA is seeking to set aside the registrations of the transfer of title to the Lands into the name of KUB Realty on 18 December 1997 and subsequently from KUB Realty to KUBAH on 3 August 1999 and finally from KUBAH to BPSB on 15 April 2021 respectively.

KUB, KUB Realty and KUBAH vigorously dispute both KEJORA’s contentions and allegations. At all material times, KUB, KUB Realty, KUBAH and BPSB were acting on the advice of qualified and established firms of advocates and solicitors. Further, all the necessary approvals for any transfers related to the Lands were obtained from the relevant authorities and were made in accordance with the rules and regulations, and all the transactions of the transfers were done bona fide with valuable consideration. KUB, KUB Realty and KUBAH have filed a defence to KEJORA’s Writ and Statement of Claim on 1 May 2023 (**Write and Statement of Claim**). KUB, KUB Realty and KUBAH have also filed an application for Pejabat Pengarah Tanah Dan Galian Johor and Pentadbir Tanah Daerah Kluang to be joined as parties to KEJORA’s suit.

Currently, there are 3 applications pending the trial of the matter:

- (i) KUB, KUB Realty and KUBAH’s (“**KUB Defendant Group**”) Application for Joinder (“**Joinder Application**”)

The KUB Defendant Group has applied to make Pejabat Pengarah Tanah Dan Galian Johor and The Land Administrator of the District of Kluang as parties to the suit as their inclusion is necessary to determine the disputes between the Parties.

On 3 September 2023, the Court vacated the hearing of the Joinder Application and fixed it for case management on 8 November 2023. The KUB Defendant Group was advised by its solicitors to file a Counterclaim against KEJORA and include to Pejabat Pengarah Tanah Dan Galian Johor and The Land Administrator of the District of Kluang as parties vide the Counterclaim instead. In that regard, the Joinder Application was withdrawn with liberty to file afresh.

(ii) BPSB's third party Proceedings

The Court has directed BPSB to file any third party proceedings by 4 July 2023 and to update the Court on its status on 18 July 2023 at the next case management. BPSB's application for third party proceeding directions is fixed for hearing on 8 November 2023. The Court, on 8 November 2023, allowed the application with no order as to costs.

(iii) KEJORA's application to amend their Writ and Statement of Claim

KEJORA filed an application to amend their Writ and Statement of Claim on 11 May 2023 ("**Amendment Application**"). The KUB Defendant Group is to file their Affidavit in Reply by 18 July 2023. This is fixed for hearing on 8 November 2023. The KUB Defendant Group was advised by its solicitors that should not object to the said Amendment Application on the condition that the KUB Defendant Group be given the liberty to file fresh pleading (i.e. Defence and Counterclaim). KEJORA did not oppose or object to the above proposal and the Court directed the following during the hearing of the said Amendment Application on 8 November 2023 and case management of the Joinder Application and Statement of Writ and Claim on 9 November 2023:

- (a) KEJORA to file and serve Amended Statement of Claim by or before 22 November 2023;
- (b) the KUB Defendant Group to file and serve Defence and Counterclaim by or before 6 December 2023;
- (c) BPSB to file and serve Amended Defence by or before 6 December 2023;
- (d) KEJORA to file and serve reply to the KUB Defendant Group's Defence & Defence to Counterclaim by or before 20 December 2023;
- (e) KEJORA to file and serve Amended Reply to BPSB's Defence on 20 December 2023,
- (f) pleadings are deemed to be closed on 3 January 2023; and
- (g) the next case management for Writ and Statement of Claim is fixed on 9 January 2024.

KEJORA had subsequently on 21 November 2023 filed its Amended Statement of Claim and BPSB had subsequently filed an Amended Defence on 30 November 2023.

As at 10 January 2024, the KUB Defendant Group had in turn filed a fresh Defence & Counterclaim against KEJORA, the Director of Johor Land and Mines Office, Land Administrators of Kluang and BPSB seeking, inter-alia, indemnity and declarations pertaining to the Lands. KEJORA has yet to file a Reply to the Defence & Counterclaim filed by the KUB Defendant Group. An extension of time has been granted to KEJORA to file its Reply to the KUB Defendant Group's Defence & Counterclaim by or before 14 February 2024. With respect to BPSB's third party notice/proceedings, an extension of time has been allowed for the KUB Defendant Group to file its Defence on 13 February 2024. On 26 January 2024, the Court had fixed the next case management on 11 March 2024 for parties to update the Court on the status of filings of pleadings. On 13 February 2024, KEJORA filed its Reply to the KUB Group's Defence and Defence to Counterclaim. On 19 February 2024, the KUB Group filed their Defence in respect of the BPSB's third-party proceedings. During the case management on 11 March 2024, the Court directed that the pleadings for this case are to be deemed closed, and that the parties are to proceed with the preparation of the pre-trial documents. The next case management date is fixed on 11 June 2024.

Based on the transaction history of the actual version of events, KUB's solicitors have advised that the likelihood of KEJORA succeeding in their claim is remote.

11. MATERIAL CONTRACTS

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

12. MATERIAL CHANGES IN FINANCIAL POSITION

As at the LPD, there are no known material changes in the financial position of KUB subsequent to the last audited financial statements other than as disclosed in the annual report for the FYE 30 June 2023 and announcements made by KUB on Bursa Securities, which include quarterly financial results from time to time.

13. ACCOUNTING POLICIES

The audited financial statements of the KUB Group for the FPE 30 June 2021, FYE 30 June 2022 and FYE 30 June 2023 have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act and there was no audit qualification on KUB's financial statements for the respective financial years and financial period.

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

APPENDIX V - DISCLOSURE OF INTERESTS AND DEALINGS

1. DISCLOSURE OF INTERESTS IN SHARES OF CCB AND KUB
1.1. Interests in CCB Shares

There is only one (1) class of shares in CCB as at the LPD, being the ordinary shares.

1.1.1. By the Offeror and the PACs

Save as disclosed below, the Offeror and persons acting in concert do not have any interest, whether direct or indirect, in CCB Shares as at the LPD:

	Direct shareholding		Indirect shareholding	
	No. of CCB Shares	%	No. of CCB Shares	%
<u>Offeror</u>				
KUB	45,924,632	86.65	-	-
<u>PACs</u>				
JAG			45,924,632 ⁽¹⁾	86.65
DSJ			45,924,632 ⁽²⁾	86.65
Amir Nashrin Bin Johari ⁽³⁾	1	*	-	-
Amir Rasyidi Bin Johari ⁽⁴⁾	1	*	-	-

Notes:

* *Negligible.*

(1) *Presumed to be a person acting in concert with the Offeror by virtue of its 62.28% shareholding in KUB pursuant to paragraph 216(3)(f) of the CMSA.*

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

(3) *Son of DSJ and a director of the Offeror, Offeree and JAG.*

(4) *Son of DSJ and a director of JAG.*

1.1.2. By the directors of the Offeror

As at the LPD, save as disclosed below, none of the directors of the Offeror has any interest, whether direct or indirect in CCB Shares:

Director	Direct shareholding		Indirect shareholding	
	No. of CCB Shares	%	No. of CCB Shares	%
Amir Nashrin Bin Johari	1	*	-	-

1.1.3. By persons who have irrevocably committed to accept or reject the Offer

As at the LPD, save for the Undertakings, the Offeror and persons acting in concert have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

1.1.4. By persons who have entered into, or been granted, any option to acquire the CCB Shares

As at the LPD, the Offeror and persons acting in concert have not entered into, or been granted, any option to acquire the CCB Shares.

1.1.5. By persons who have any arrangement over CCB Shares

As at the LPD, the Offeror and persons acting in concert have not entered into any arrangement with any persons, including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing with CCB Shares.

1.1.6. Borrowing or lending of CCB Shares

As at the LPD, the Offeror and persons acting in concert have not borrowed or lent any CCB Shares from or to any Holder.

1.2. Interests in KUB Shares and RCPS

1.2.1. By the directors of the Offeror

As at the LPD, the directors of the Offeror do not have any interest, whether direct or indirect, in KUB Shares or RCPS.

1.2.2. By persons acting in concert

Save as disclosed below, persons acting in concert with the Offeror do not have any other interest, whether direct or indirect, in KUB Shares or RCPS as at the LPD:

PACs	Direct shareholding		Indirect shareholding	
	No. of KUB Shares	(3)%	No. of KUB Shares	%
JAG	(1)(2)346,556	62.28	-	-
DSJ	-	-	(1)346,556	62.28

PACs	Direct shareholding		Indirect shareholding	
	No. of RCPS	(4)%	No. of RCPS	%
JAG	(1)(2)199,035	100.00	-	-
DSJ	-	-	(1)199,035	100.00

Notes:

- (1) Deemed interest by virtue of his shareholding in JAG pursuant to Section 8 of the Act.
- (2) Based on the Record of Depositors of KUB as at the LPD.
- (3) Based on the total number of 556,464,690 KUB Shares in issue as at the LPD.
- (4) Based on the total number of 199,035,059 RCPS in issue as at the LPD.

1.2.3. By persons who have irrevocably committed to accept or reject the Offer

As at the LPD, save for the Undertakings, the Offeror and persons acting in concert have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

Both Amir Nashrin Bin Johari and Amir Rasyidi Bin Johari do not have interest, whether direct or indirect, in KUB Shares or RCPS.

1.2.4. By persons who have any arrangement over KUB Shares and RCPS

As at the LPD, the Offeror and persons acting in concert have not entered into any arrangement with any persons, including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing with KUB Shares or RCPS.

1.2.5. Borrowing or lending of KUB Shares and RCPS

As at the LPD, the Offeror and persons acting in concert have not borrowed or lent any KUB Shares or RCPS from or to any Holder.

2. DISCLOSURE OF DEALINGS IN THE SHARES

2.1. CCB Shares

Save as disclosed below, the Offeror, persons acting in concert and the directors of the Offeror have not dealt, whether directly or indirectly, in CCB Shares during the period commencing six (6) months prior to the Offer Period and up to the LPD:

<u>Name</u>	<u>Transaction date</u>	<u>Nature of transaction</u>	<u>Number of CCB Shares</u>	<u>(1) %</u>	<u>Average price per CCB Share (RM)</u>	<u>Total consideration (RM)</u>
<u>Offeror</u>						
KUB	28 February 2024	Acquisition of 86.65% equity interest in CCB	45,924,632	86.65	2.60037	119,421,035
<u>PACs</u>						
JAG	24 October 2023	Acquisition	9,779,373	18.45	2.60037	25,430,000

Note:

(1) Computed based on total number of 53,000,000 CCB Shares in issue as at the LPD.

2.2. KUB Shares and RCPS

Save as disclosed below and the valid acceptances received in relation to the KUB MGO, the Offeror, persons acting in concert and the directors of the Offeror have not dealt, whether directly or indirectly, in KUB Shares or RCPS during the period commencing six (6) months prior to the Offer Period and up to the LPD:

<u>Name</u>	<u>Transaction date</u>	<u>Nature of transaction</u>	<u>No. of KUB Shares</u>	<u>(1) %</u>	<u>Average price per KUB Share (RM)</u>	<u>(2) Total consideration (RM)</u>
<u>Offeror</u>						
KUB	-	-	-	-	-	-
<u>PACs</u>						
JAG	9 January 2024	Acquisition	1,787,100	0.32	0.59	1,054,389

Note:

(1) Computed based on total number of 556,464,690 KUB Shares in issue as at the LPD.

APPENDIX V - DISCLOSURE OF INTERESTS AND DEALINGS (Cont'd)

<u>Name</u>	<u>Transaction date</u>	<u>Nature of transaction</u>	<u>No. of RCPS</u>	<u>(1) %</u>	<u>Average price per RCPS (RM)</u>	<u>(2) Total consideration (RM)</u>
<u>Offeror</u>						
KUB	-	-	-	-	-	-
<u>PACs</u>						
JAG	28 February 2024	Allotment and issuance of RCPS as mode of settlement for the Acquisition	199,035,059	100.00	0.60	119,421,035

Note:

(1) Computed based on total number of 199,035,059 RCPS in issue as at the LPD.

3. GENERAL DISCLOSURES

- 3.1 As at the LPD, there are no benefits which will be given to any director of the Offeree as the compensation for the loss of office or otherwise in connection with the Offer.
- 3.2 As at the LPD, there is no agreement, arrangement or understanding that exists between the Offeror or persons acting in concert and any of the existing directors or past directors of CCB (being such person who was, during the period of six (6) months prior to the beginning of the Offer Period, a director of CCB), or any of the shareholders or past shareholders of CCB (being such person who was, during the period of 6 months prior to the beginning of the Offer Period, a shareholder of the CCB), having any connection with or dependence upon the Offer.
- 3.3 As at the LPD, there is no agreement, arrangement or understanding entered into by the Offeror and persons acting in concert whereby any Offer Shares pursuant to the Offer will be transferred to any other person(s) from or after the date of this Offer Document.
- 3.4 All the Offer Shares validly accepted under the Offer will be registered in the name of the Offeror and/or its appointed nominee(s), if any.
- 3.5 As at the LPD, there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of CCB since the date of its latest audited consolidated financial statements for the FYE 30 June 2023, which were laid before the shareholders of CCB at its annual general meeting on 31 October 2023.



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Our Ref : RCPS/DSL/OWN-HJX

Your Ref : -

13 March 2024

The Board of Directors
KUB Malaysia Berhad
Suite A-22-1, Level 22, Hampshire Place Office,
157 Hampshire, No.1, Jalan Mayang Sari
50450 Kuala Lumpur

Dear Sirs,

**ESTIMATE OF VALUE OF THE REDEEMABLE PREFERENCE SHARES ISSUED BY KUB MALAYSIA BERHAD
("KUB" OR "COMPANY")("ESTIMATE OF VALUE")**

1. INTRODUCTION

FHMH Corporate Advisory Sdn Bhd ("**FHCA**") has been appointed by KUB on 21 February 2024 as the Competent Adviser for the Estimate of Value.

Reference is made to the unconditional mandatory take-over offer by KUB through Maybank Investment Bank Berhad to acquire all the remaining ordinary shares in Central Cables Berhad ("**CCB**" or the "**Target Company**") not already owned by KUB ("**Offer Shares**") at the offer price of RM2.60037 per Offer Share ("**Offer**") to be satisfied either via:

- (i) a wholly cash consideration of RM2.60037 for every 1 Offer Share surrendered; or
- (ii) a securities exchange based on an exchange ratio of 4.33395 new redeemable convertible preference shares in KUB ("**RCPS**") to be issued at an issue price of RM0.60 per RCPS for every 1 Offer Share surrendered.

Pursuant to paragraph 6.03 and Note 11 to paragraph 6.03 of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("**Rules**") issued by the Securities Commission Malaysia, the offer document or any related circular or documents issued by the offeror is required to include an estimate of the value of such securities, along with the underlying assumptions and methodology used in arriving at the value of such securities.

In this regard, the Company is required to provide an estimate of the value of the RCPS in the offer document to be issued by the Company to the holders of the Offer Shares in compliance with Note 11 to paragraph 6.03 of the Rules.

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2. TERMS OF REFERENCE

The Estimate of Value is prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) **132 - Financial Instruments: Presentation** (“**MFRS 132**”) and **MFRS 9 – Financial Instruments** (“**MFRS 9**”).

Sources of Information

The sources of information which we have used to form our opinion on the estimate of the value of the RCPS are as follows:-

- (i) The circular of KUB dated 6 February 2024 (“**Circular**”);
- (ii) Audited financial statements of KUB for the financial year ended (“**FYE**”) 30 June 2023;
- (iii) Audited financial statements of CCB for the FYE 30 June 2023;
- (iv) Representation and explanation by the management of KUB (“**Management**”); and
- (v) Other publicly available information in respect of the industry that KUB is operating in.

We have made all reasonable enquiries to and have relied on the management of the Company to exercise due care to ensure that all information and documents as mentioned above and all relevant facts, information and representations necessary for the Estimate Of Value have been disclosed to us and that such information is accurate, valid, reasonable and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate. The Board of Directors of KUB (“**Board**”) has, individually and collectively, accepted full responsibility that all material facts, financial and other information essential to our evaluation have been disclosed to us, that they have seen this Letter, and for the accuracy of the information in respect of the Estimate of Value (save for those in relation to our evaluation and opinion pertaining to the same) as prepared herein and confirmed that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein incomplete, false and/or misleading.

We have not undertaken an independent investigation into the business of the Company and the Target Company. It should be noted that the Estimate of Value in itself is highly dependent on, amongst others, the prevailing economic, market and other conditions that may change significantly over a relatively short period of time. It should also be highlighted that the Estimate of Value may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the relevant reports were based.

Date of Opinion

The date of our opinion is 28 February 2024 (herein also referred to as the “**Date of Opinion**”).

Scope and Limitation of Review

FHCA was not involved in the formulation or any deliberation and negotiation on the terms and conditions of any corporate exercise intended to be undertaken by the Company or the Target Company. Our role as the Competent Adviser does not extend to expressing an opinion on the commercial merits of any corporate exercise intended to be undertaken by the Company and/or the Target Company and this remains solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion.

As such, where comments or points of consideration are included on matters, which may be commercially oriented, these are incidental to our overall evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Estimate of Value and/or any corporate exercise contemplated by the parties.

Based on the above and after undertaking reasonableness check and corroborating such information with independent sources, where possible, we are satisfied with the information and documents provided by the Company and are not aware of any fact or matter not disclosed which renders any such information untrue, inaccurate, incomplete, omitted or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this letter.

Our work includes holding discussions with and making enquiries on the directors and management of the Company and the Target Company regarding representations made on the Company and the Target Company. We rely on the directors and management of Company and the Target Company's oral and written representations and in no event shall we, our partners, principals, directors, shareholders, agents or employees be liable for any misrepresentations by the directors and management of the Company.

Our procedures and inquiries did not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Letter. Further, certain information relied upon are only representation of the directors and management of Company and the Target Company, as well as reliance on third party experts as explained in the relevant sections of this Letter.

Our evaluation and recommendation expressed herein are based on prevailing economic, market and other conditions, and the information and/or documents made available to us, as at the Date of Opinion. Such conditions may change over a short period of time. Accordingly, our evaluation and recommendation expressed herein do not take into account of the information, events and conditions arising after the date hereof. After the issuance of this Letter, should FHCA become aware of any significant change affecting the information contained in this Letter or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive or have reasonable grounds to believe that there is material omission in this Letter, we will immediately notify the Board. If circumstances require, a supplementary Letter will be sent accordingly to the shareholders.

We have obtained a responsibility statement from the directors and management of Company and the Target Company that all material facts, financial and other information essential to the Estimate of Value have been disclosed to us and that they have seen this Letter and they, individually and collectively, accept full responsibility for the accuracy of such information contained in this Letter, and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

3. SALIENT TERMS OF THE RCPS

The salient terms of the RCPS are summarised as below:

All definitions or defined terms used in this Section 3 shall have the same meaning as defined in the "Definitions" section of the Offer Document except where the context requires otherwise or as otherwise defined. All references to "we", "us" and "our" in this letter are ascribed to FHCA, being the Competent Adviser for the Estimate of Value.

Issuer	:	KUB
Issue Size	:	Up to 229,699,350 RCPS (comprising 199,035,059 new RCPS to be issued pursuant to the Acquisition and up to 30,664,291 new RCPS to be issued pursuant to the Offer).
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 5th 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 in respect of the KUB Shares, each RCPS shall also carry the right to receive such dividends (non-cumulative) declared in respect of 1 KUB Share, subject however to any adjustment to the Conversion Ratio, provided that the consolidated PAT 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 the Company.
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 8 Market Days from the date of receipt by the Company 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, the Company 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) despatch 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 1 RCPS for 1 new KUB Share, subject to adjustments in the event of any alteration to the share capital of the Company.</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 the Company 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 the Company, save and except in respect of any resolution made:</p> <p>(i) on a proposal to reduce the Company's share capital;</p>

		<p>(ii) on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;</p> <p>(iii) on a proposal to wind up the Company;</p> <p>(iv) during the winding up of the Company; or</p> <p>(v) on any proposal that affects the rights and privileges attached to the RCPS, including the amendments to the Constitution.</p> <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 1 vote for each RCPS held.</p>
Mandatory conversion on Maturity Date	:	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.
Redemption period	:	The period from and including the Issue Date up to 5.00 p.m. on the business day immediately before the Maturity Date.
Redemption	:	<p>The Company may, subject to and in accordance with Section 72 of the Act, 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 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 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 the Company 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	:	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 the Company.
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 the Company.</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 the Company, provided that the RCPS shall not be entitled to participate in any surplus capital, assets or profits of the Company.</p>

Ranking of new KUB Shares to be issued upon conversion of the RCPS	:	The new KUB Shares to be issued upon conversion of the RCPS shall rank equally in all respects with the 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.
Governing law	:	The RCPS will be governed under the laws of Malaysia.

4. INITIAL RECOGNITION AND CLASSIFICATION

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - (i) to receive cash or another financial asset from another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

According to **para 11 of MFRS 132**, a financial liability is any liability that is:

- (a) a contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also, for these purposes the entity's own equity instruments do not include puttable financial instruments, that are classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

As an exception, an instrument that meets the definition of a financial liability is classified as an equity instrument if it has all the features and meets the conditions in paragraphs 16A and 16B or paragraphs 16C and 16D.

An *equity instrument* is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (See *MFRS 13 Fair Value Measurement*.)

A *puttable instrument* is a financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset or is automatically put back to the issuer on the occurrence of an uncertain future event or the death or retirement of the instrument holder.

According to **para 16 of MFRS 132**, When an issuer applies the definitions in paragraph 11 to determine whether a financial instrument is an equity instrument rather than a financial liability, the instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met.

- (a) The instrument includes no contractual obligation:
- (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.
- (b) If the instrument will or may be settled in the issuer's own equity instruments, it is:
- (i) a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
 - (ii) a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also, for these purposes the issuer's own equity instruments do not include instruments that have all the features and meet the conditions described in paragraphs 16A and 16B or paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the issuer's own equity instruments.

A contractual obligation, including one arising from a derivative financial instrument, that will or may result in the future receipt or delivery of the issuer's own equity instruments, but does not meet conditions (a) and (b) above, is not an equity instrument. As an exception, an instrument that meets the definition of a financial liability is classified as an equity instrument if it has all the features and meets the conditions in paragraphs 16A and 16B or paragraphs 16C and 16D.

According to **para 16A of MFRS 132 – Financial Instruments**:

A puttable financial instrument includes a contractual obligation for the issuer to repurchase or redeem that instrument for cash or another financial asset on exercise of the put. As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has all the following features:

- a. It entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets. A pro rata share is determined by:
 - i. dividing the entity's net assets on liquidation into units of equal amount; and
 - ii. multiplying that amount by the number of the units held by the financial instrument holder.
- b. The instrument is in the class of instruments that is subordinate to all other classes of instruments. To be in such a class the instrument:

- i. has no priority over other claims to the assets of the entity on liquidation; and
 - ii. does not need to be converted into another instrument before it is in the class of instruments that is subordinate to all other classes of instruments.
- c. All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features. For example, they must all be puttable, and the formula or other method used to calculate the repurchase or redemption price is the same for all instruments in that class.
- d. Apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, and it is not a contract that will or may be settled in the entity's own equity instruments as set out in subparagraph (b) of the definition of a financial liability.
- e. The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity over the life of the instrument (excluding any effects of the instrument).

According to **para 16B of MFRS 132 – Financial Instruments:**

For an instrument to be classified as an equity instrument, in addition to the instrument having all the above features, the issuer must have no other financial instrument or contract that has:

- a. total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity (excluding any effects of such instruments or contract) and;
- b. the effect of substantially restricting or fixing the residual return to the puttable instrument holders.

For the purposes of applying this condition, the entity shall not consider non-financial contracts with a holder of an instrument described in *paragraph 16A* that have contractual terms and conditions that are similar to the contractual terms and conditions of an equivalent contract that might occur between a non-instrument holder and the issuing entity. If the entity cannot determine that this condition is met, it shall not classify the puttable instrument as an equity instrument.

Instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation.

According to **para 16C of MFRS 132 – Financial Instruments:**

Some financial instruments include a contractual obligation for the issuing entity to deliver to another entity a pro rata share of its net assets only on liquidation. The obligation arises because liquidation either is certain to occur and outside the control of the entity (for example, a limited life entity) or is uncertain to occur but is at the option of the instrument holder. As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has all the following features:

- (a) It entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets. A pro rata share is determined by:
 - (i) dividing the net assets of the entity on liquidation into units of equal amount; and
 - (ii) multiplying that amount by the number of the units held by the financial instrument holder.

- (b) The instrument is in the class of instruments that is subordinate to all other classes of instruments. To be in such a class the instrument:
 - (i) has no priority over other claims to the assets of the entity on liquidation, and
 - (ii) does not need to be converted into another instrument before it is in the class of instruments that is subordinate to all other classes of instruments.
- (c) All financial instruments in the class of instruments that is subordinate to all other classes of instruments must have an identical contractual obligation for the issuing entity to deliver a pro rata share of its net assets on liquidation.

According to **para 16D of MFRS 132 – Financial Instruments:**

For an instrument to be classified as an equity instrument, in addition to the instrument having all the above features, the issuer must have no other financial instrument or contract that has:

- (a) total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity (excluding any effects of such instrument or contract) and
- (b) the effect of substantially restricting or fixing the residual return to the instrument holders.

For the purposes of applying this condition, the entity shall not consider non-financial contracts with a holder of an instrument described in paragraph 16C that have contractual terms and conditions that are similar to the contractual terms and conditions of an equivalent contract that might occur between a non-instrument holder and the issuing entity. If the entity cannot determine that this condition is met, it shall not classify the instrument as an equity instrument.

According to **para AG25 & AG26 of Application Guidance of MFRS 132 – Financial Instruments: Presentation**

No contractual obligation to deliver cash or another financial asset

- AG 25 Preference shares may be issued with various rights. In determining whether a preference share is a financial liability or an equity instrument, an issuer assesses the particular rights attaching to the share to determine whether it exhibits the fundamental characteristic of a financial liability. For example, a preference share that provides for redemption on a specific date or at the option of the holder contains a financial liability because the issuer has an obligation to transfer financial assets to the holder of the share. The potential inability of an issuer to satisfy an obligation to redeem a preference share when contractually required to do so, whether because of a lack of funds, a statutory restriction or insufficient profits or reserves, does not negate the obligation. An option of the issuer to redeem the shares for cash does not satisfy the definition of a financial liability because the issuer does not have a present obligation to transfer financial assets to the shareholders. In this case, redemption of the shares is solely at the discretion of the issuer. An obligation may arise, however, when the issuer of the shares exercises its option, usually by formally notifying the shareholders of an intention to redeem the shares.
- AG 26 When preference shares are non-redeemable, the appropriate classification is determined by the other rights that attach to them. Classification is based on an assessment of the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. When distributions to holders of the preference shares, whether cumulative or non-cumulative, are at the discretion of the issuer, the shares are equity instruments. The classification of a preference share as an equity instrument or a financial liability is not affected by, for example:
 - (a) a history of making distributions;
 - (b) an intention to make distributions in the future

- (c) a possible negative impact on the price of ordinary shares of the issuer if distributions are not made (because of restrictions on paying dividends on the ordinary shares if dividends are not paid on the preference shares);
- (d) the amount of the issuer's reserves
- (e) an issuer's expectation of a profit or loss for a period; or
- (f) an ability or inability of the issuer to influence the amount of its profit or loss for the period.

Assessment of the RCPS

Based on our understanding and the salient terms of the RCPS, it meets the criteria outlined in **MFRS 132 Financial Instruments** for classification as an equity instrument. The summarized features confirming its equity nature are as follows:

- Non-Obligation to Redeem: KUB, as the issuer, is not obligated to redeem the RCPS at a predetermined future date;
- Redeemable at Issuer's Discretion: The RCPS is redeemable at the discretion of the issuer, not at the option of the holder;
- No Fixed Dividend Obligation: KUB has the discretion to declare dividends or preferential dividends, contingent upon the consolidated profit after tax ("**PAT**") of CCB exceeding the amount of preferential dividend to be declared, as evidenced in CCB's audited consolidated financial statements;
- Convertible into Common Shares: RCPS holders have the option to convert them into KUB Shares, enabling participation in the company's equity upside;
- Subordination to Debt: RCPS rank below debt and other liabilities in the event of liquidation, ensuring debt holders are prioritized for repayment; and
- Participation in Residual Assets: RCPS holders are entitled to participate in the residual assets of the company following settlement of all other liabilities in the event of liquidation.

5. VALUATION METHODOLOGY

Basis and Method Used to Form an Opinion on the Estimate of Value

Given that the RCPS is classified as an equity instrument and shares similar terms to the KUB Shares, FHCA proposes adopting the valuation method typically applied to equity interests for the Estimate of Value.

The differences in terms between ordinary shares and other classes of shares, such as RCPS, are indeed noteworthy, often encompassing variations in voting rights, dividend entitlements, or priority in the event of liquidation. The difference between KUB Shares and RCPS are summarised in the table below:

	KUB Shares	RCPS
Dividend	Such dividends for KUB Shares shall be paid out of the Company's profits and the Board must be satisfied that the Company will be solvent post-distribution of dividends, as and when declared by the Board.	<p>Non-cumulative dividend, with the preferential dividend rate being identical to the dividend rate to be declared on the KUB Shares. The RCPS shall rank equally (and not in priority) with existing KUB Shares insofar as the rights to receive dividends.</p> <p>In addition, the consolidated PAT 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 must be higher than the amount of preferential dividend to be declared.</p>

	KUB Shares	RCPS
		Therefore, the Company will ring-fence any dividends received from CCB in the future for purposes of funding the preferential dividend to be paid on the RCPS, if any, without impacting the amount of funds that can be allocated for dividends to be declared and paid to our ordinary shareholders.
Redemption	Not applicable as there will be no redemption of the KUB Shares which have no redemption feature.	The Company may, subject to and in accordance with Section 72 of the Act, at any time during the redemption period, redeem the RCPS in whole or part thereof the outstanding RCPS held by the holders of the RCPS, at the Issue Price in cash by giving the holders of the RCPS 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.
Conversion	Not applicable as there will be no conversion of the KUB Shares.	The holders of the RCPS may, at any time from the issuance date of the RCPS up to the maturity date, convert the RCPS into such number of new KUB Shares as is determined based on the Conversion Ratio.
Ranking in terms of repayment of capital in the event of liquidation, dissolution or winding-up	The KUB Shares shall rank equally with the KUB Shares in any repayment of capital in the event of liquidation, dissolution or winding-up of KUB.	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.
Transferability	The KUB Shares are tradeable and transferable.	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.
Listing status	The KUB Shares will be listed on the Main Market of Bursa Securities.	The RCPS will not be listed, quoted or traded on Bursa Securities or any stock exchange. The new KUB Shares to be issued upon conversion of the RCPS will be listed on the Main Market of Bursa Securities.

However, it's worth noting that the RCPS terms are similar to that of ordinary shares.

For the purpose of valuing RCPS, these differences between ordinary shares and RCPS do not necessarily impact the fundamental value of the shares. This is primarily because the valuation process typically focuses on fundamental aspects such as the company's financial performance, growth prospects, and market demand for its shares. These factors tend to outweigh the specific terms attached to different share classes. Despite variations in these aspects, the valuation reflects the value of their investment, independent of the specific terms associated with their shares. This approach ensures transparency and fairness in the valuation process.

In establishing our opinion on the Estimate of Value, which is the subject matter, FHCA has considered various methodologies, which are commonly used for valuation, taking into consideration the Company's future earnings generating capabilities, projected future cash flows, its sustainability as well as various business considerations and risk factors affecting its business.

The valuation methodology considered and selected by FHCA to estimate the value of the RCPS is based on the Net Asset Valuation ("**NAV**") methodology and Relative Valuation Analysis ("**RVA**"), which involve the use of Enterprise Value ("**EV**")/Earnings Before Interest, Tax, Depreciation and Amortisation ("**EBITDA**") multiple as it is much more likely to reflect the current sentiment of the market.

In the case of assessing the estimate value of the RCPS, FHCA has adopted a conservative approach which focuses on the net assets of the Company to determine its value, which can include infrastructure assets such as storage facilities, bottling plants, and transportation assets. This method is conservative because it does not rely heavily on projected future cash flows or earnings, which can be subject to variability. This approach mitigates the risk associated with uncertain future cash flows or market conditions.

Especially in industries prone to market volatility, such as energy distribution, the NAV method offers stability and conservatism in valuation. By emphasizing on assets rather than speculative future earnings, NAV provides a more reliable estimate of the company's worth, reducing exposure to market uncertainties.

NAV calculations are based on the fair market value of the company's tangible assets, making the valuation process transparent and objective. This can be particularly important for stakeholders seeking a conservative and reliable estimate of the company's value.

The secondary valuation methodology considered and selected by FHCA to cross-check the Estimate of Value is based on the RVA.

RVA seeks to compare a company's implied trading multiple to that of comparable companies to determine the firm's financial worth based on a set of valuation metrics derived from commonly used financial indicators and applied on the subject company's historical financial records.

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NAV Methodology

The NAV Methodology refers to the total value of all assets owned by the entity. This may include cash, investments, real estate, inventory, equipment, intellectual property, and any other tangible or intangible assets. Net assets (“NA”) is determined by subtracting the total value of liabilities from the total asset value. Liabilities may include debt, accounts payable, accrued expenses, and any other obligations owed by the entity. In addition, any necessary adjustments may require for items such as depreciation, amortization, and revaluation of assets or liabilities to reflect their current fair market values.

NAV = Total Assets – Total Liabilities + non-controlling interests (“NCI”)

The latest available consolidated financial results for CCB Group was the unaudited consolidated financial statements for 6-month FPE 31 December 2023. In the interest of maintaining consistency and comparability, both the Offeror and CCB's financial statements were based on audited figures for the FYE 30 June 2023. FHCA has taken this into account that audited financial statements provide higher levels of accuracy and reliability. Further, we had considered the NAV using the consolidated management accounts for the FPE 31 December 2023, and it is noted that the differences between using audited FYE 30 June 2023 and FPE 31 December 2023 is only RM0.01 sen different for NAV per ordinary shares.

For the purposes of arriving at the NAV of the Company, FHCA had taken into consideration the financial information set out in the audited financial statements of the Company for the FYE 30 June 2023, which has been summarised in the table below:

KUB Group FYE 30 June 2023 RM'000	
Non-current assets	
Property, plant and equipments (“PPE”)	97,883
Investment Properties	11,067
Right-of-use assets (“ROU”)	1,723
Finance lease receivables	712
Other investments	67,126
	178,511
Current Assets	
Inventories	3,441
Trade and other receivables	52,260
Contract assets	266
Finance lease receivables	245
Tax recoverable	1,355
Derivative financial assets	33
Cash and bank balances	405,568
	463,168
Non-current assets held for sale	5,857
Total Assets	647,536
Non-current Liabilities	
Lease liabilities	181
Other payables	34,379
Deferred tax liabilities	10,860
	45,420
Current Liabilities	
Trade and other payables	57,252
Lease liabilities	1,114
Borrowings	41,114

KUB Group	
FYE 30 June 2023	
RM'000	
Provision for tax	334
	99,814
Total Liabilities	145,234
Non-controlling interests	14,743
NA	517,045

For the purposes of arriving at the NAV of the Target Company, FHCA had taken into consideration the financial information set out in the audited financial statements of the Target Company for the FYE 30 June 2023, which has been summarised in the table below:

CCB Group	
FYE 30 June 2023	
RM'000	
Non-current assets	
PPE	20,266
ROU	5,277
Investment properties	15,326
	40,869
Current Assets	
Inventories	35,864
Trade and other receivables	27,503
Current tax asset	698
Short term fund	2,181
Cash and bank balances	33,026
	99,271
Total Assets	140,140
Liabilities	
Non-current liabilities	
Borrowings	2,190
Lease liabilities	195
Deferred tax liabilities	4,261
	6,647
Current liabilities	
Trade and other payables	10,188
Contract liabilities	2,165
Refund liabilities	-
Borrowings	40,555
Lease liabilities	155
	53,063
Total Liabilities	59,710
NA	80,430

APPENDIX VI - VALUATION LETTER (Cont'd)

The book value per ordinary share of KUB and CCB based on the NAV methodologies using the latest available audited financial statements for the FYE 30 June 2023 provided by the Management is summarised as follows:

	KUB RM'000	CCB RM'000	Total RM'000
Total Assets	647,536	140,140	787,676
Total Liabilities	(145,234)	(59,710)	(204,944)
Non-controlling interests	14,743	-	14,743
NAV	517,045	80,430	597,475
NAV (based on 86.65% equity interest of CCB):	<i>100%</i>	<i>86.65%</i>	
NAV	517,045	69,693	586,738
NAV per ordinary share:			
No. of ordinary shares ('000)	556,465	45,925	556,465
NAV per ordinary share (RM) ¹	0.93	1.52	1.05
If the Offer completed and assuming that:-			RM'000
(1) All Consideration RCPS are redeemed by the Company in cash and the holders of the Offer Shares opt for Cash Option			
NAV of KUB Group (including CCB's 100% equity interest) (before completion of the Offer)			597,475
Less: Cash payments for redemption of the Consideration RCPS and satisfaction of the Cash Option			(137,820)
NAV (after completion of the Offer)			459,655
No. of ordinary shares ('000)			556,465
NAV per ordinary share¹			0.83
If the Offer completed and assuming that:-			RM'000
(2) All the holders of Offer Shares opt for Securities Option and all the RCPS (including Consideration RCPS) are converted into new KUB Shares			
NAV of KUB Group (including CCB's 100% equity interest) (before completion of the Offer)			597,475
No. of ordinary shares ('000)			786,164
NAV per ordinary share²			0.76

Note 1: Computed based on the total of 556,464,690 KUB Shares in issue as at the Date of Opinion.

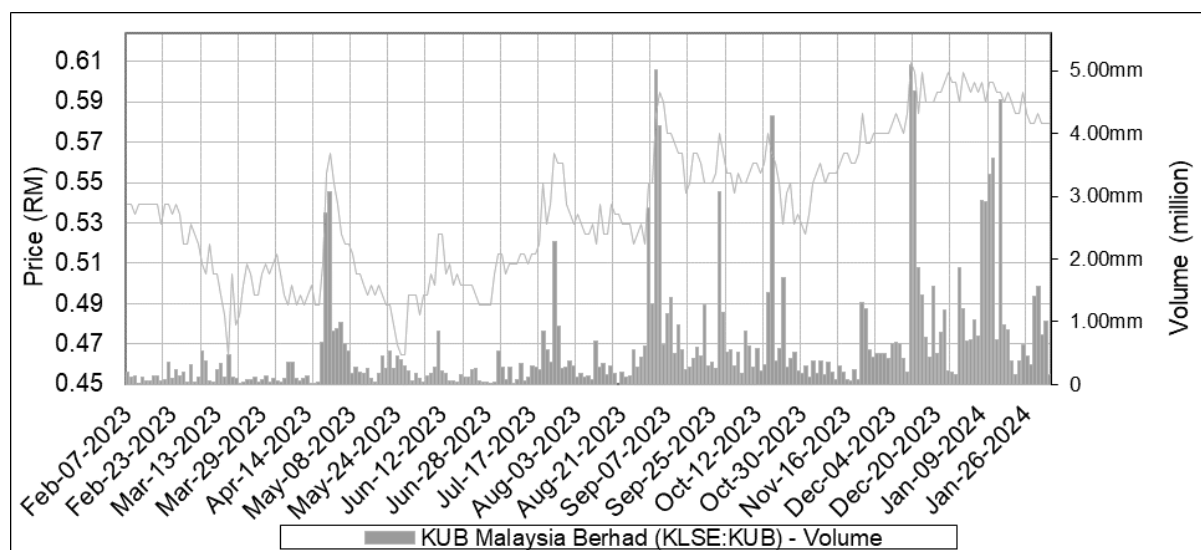
Note 2: Computed based on a total of 786,164,040 KUB Shares assuming full conversion of the RCPS (including Consideration RCPS) into new KUB Shares after the completion of the Offer.

Note 3: We had considered the NAV using the consolidated management accounts for the FPE 31 December 2023, and it is noted that the differences between using audited FYE 30 June 2023 and FPE 31 December 2023 is only RM0.01 per different for NAV per ordinary shares.

Based on the NAV methodology, the Estimate of Value is summarised as below:

- a) **Estimate of Value is RM1.05 per ordinary share** (before completion of the Offer);
- b) **Estimate of Value is RM0.83 per ordinary share** (assuming full redemption of the Consideration RCPS and all holders of Offer Shares opt for Cash Option) (after completion of the Offer); and
- c) **Estimate of Value is RM0.76 per share** (assuming full conversion of the Consideration RCPS into new KUB Shares and all holders of Offer Shares opt for Securities Option) (after completion of the Offer).

In addition to the above, the movement of the daily closing market prices of KUB Shares on Bursa Securities for the past one (1) year up to the Date of Opinion is shown below:



Source: S&P Capital IQ

The share price movement of KUB is shown for the past 1 year to provide a clear and relevant view of the Company's recent performance. This is because the share price of a company can fluctuate significantly over time due to various factors such as market conditions, company performance, and external events.

However, it's important to note that a company's past performance is not always indicative of its future performance, and the holders of the Offer Shares should conduct thorough research and analysis before making any investment decisions.

We note that KUB Shares have been trading, an average at RM0.53 over the past 12 months up to the Date of Opinion with the average of RM0.55 and highest price of RM0.60 for the most recent three (3) months prior to the Date of Opinion.

To facilitate the computation of the NAV of the Company (taking into consideration the value of CCB), we have relied upon the following bases and assumptions:

- (a) Investment properties are not being revalued and are being accounted for based on the carrying amount as recorded in the audited financial statements;
- (b) There will be no significant changes to the accounting policies or financial reporting standards of the Company;
- (c) Corporate income tax will remain at 24% in the near term; and
- (d) There will be no material change to Malaysia's economic conditions and regulatory requirements.

General Assumptions

- (i) There will be no significant change to the principal activities, key management personal, operating policies, accounting, and business policies presently adopted by the Company and CCB;
- (ii) There will be no significant change to the prevailing economic, political and market conditions in Malaysia and elsewhere that will have direct and indirect effect on the activities and performance of the Company and CCB;

- (iii) There will be no material change to the present legislation and Government's regulations and other operation regulation or restriction affecting the Company's or CCB's activities or the market in which they operate;
- (iv) The statutory income tax rate and other relevant duty and tax rate for the Company and CCB will remain at their respective existing rates with no significant change in the bases of taxation;
- (v) There will be no material adverse effect from service disruptions, equipment or network breakdown or other similar occurrences, wars, epidemic, terrorist attacks and other natural risks, both domestic and foreign, which will adversely affect the operations, income and expenditure of the Company and CCB;
- (vi) There will be no substantial impairment to the carrying value of the Company's or CCB's property, plant and equipment and other assets;
- (vii) There will be no termination of any significant agreement or contract from which the legal rights accruing to the Company or CCB, in respect of the principal activities are derived;
- (viii) Such agreements or contracts are assumed to be renewed based on current terms upon expiry; and
- (ix) Any legal proceedings against the Company or CCB does not adversely and materially affect the activities or performance of the Company or CCB, nor give rise to any contingent liability which will materially affect the financial position or business of the Company or CCB.

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RVA

RVA seeks to compare a company's implied trading multiple to that of comparable companies to determine the firm's financial worth. Under the RVA, reference was made to the valuation statistics of comparable companies to get an indication of the current market expectation with regards to the implied value of the equity interest in the Company and the Target Company and compared the implied trading multiples to determine the firm's financial worth.

In arriving at the Estimate of Value, FHCA has adopted the Sum-of-the-Parts Valuation ("**SOPV**") as the valuation method in view that the KUB Group comprises different business segments after the completion of the acquisition of CCB.

The following valuation multiple was applied to arrive at the valuation statistics:

Valuation Multiple	General Description
EV/EBITDA Multiple	<p>EV is the sum of a company's market capitalisation, preferred equity, minority interest, short- and long-term debt less its cash and cash equivalents.</p> <p>The EV/EBITDA multiple illustrates the market value of a company's business relative to its historical and forecast pre-tax operational cash flow performance, without taking into consideration the company's capital structure.</p> <p>The exclusion of non-cash items such as depreciation and amortisation from the calculation of EBITDA will allow this method to be more reflective of the company's pre-tax operating cash flow. In addition, the exclusion of interest will discount the effect of differing capital structures of the comparable companies.</p>

The PE Multiple illustrates the ratio of the market value of a company's shares relative to its historical and forecast earnings per share. After careful consideration, we have determined that this valuation metric may not be suitable due to the nature of the Company's business model. Companies involved in liquefied petroleum LPG typically require significant investments in infrastructure and equipment, resulting in substantial depreciation and amortization expenses. These expenses can distort earnings and lead to fluctuations in the PE Multiple. In addition, business in the same industry can have vastly different capital structures where PE Multiple did not account for the entire capital structure.

For the purposes of the RVA, reference was made to companies that are primarily involved in distributing liquefied petroleum gas ("**LPG**") for household and industrial use for KUB and primarily involved in power cable and wire industry for CCB. We have selected companies that are listed on regional stock exchanges in South-east Asia due to the lack of local comparables which meet our search profile. We have selected companies with revenue segmentations being derived primarily from distributing LPG for KUB and power cable and wire for CCB (over 51% of total revenue), with the market capitalisation that sits below RM1 billion, has been listed for more than two (2) years and are profitable.

We have considered the factors below when selecting companies with market capitalisation of RM1 billion and below:

- Similarity in Size: By focusing on companies with market capitalisations below RM1 billion, we ensure that the selected comparables are of similar size to the company being valued. This enhances the relevance and accuracy of the comparison, as companies of comparable size often face similar market dynamics and growth prospects. Additionally, we have taken into consideration that the market capitalisation of KUB will increase by approximately RM119.42 million from RM517.05 million to RM636.47 million after the Proposed Acquisition (defined in the Circular dated 6 February 2024), resulting from the issuance of the Consideration RCPS.

- Comparable Risk Profiles: Smaller companies typically face similar risk profiles, including liquidity risks, operational challenges, and sensitivity to market fluctuations. By selecting comparables with market capitalisations below RM1 billion, we aim to identify companies with risk characteristics that align closely with those of the company being valued.
- Reflective of Market Segment: Companies with market capitalisations below RM1 billion often belong to similar market segments or sectors. Focusing on this segment ensures that the selected comparables are representative of the company's industry or sector, facilitating a more accurate benchmarking of financial performance and valuation metrics.

Based on the above criteria for KUB, a total of four (4) listed companies were found on The Stock Exchange of Thailand ("SET"), Hanoi Stock Exchange ("HNX"), Singapore Stock Exchange and Philippine Stock Exchange ("PSE") ("Comparable Companies KUB"), whereas, a total of six (6) listed companies were found for CCB on Bursa Malaysia Securities Berhad, Indonesia Stock Exchange and Ho Chi Minh City Stock Exchange, which include Southern Cable Group Berhad ("SCG"), PT Jembo Cable Company Tbk ("Jembo"), PT Kabelindo Murni Tbk ("Kabe"), PT KMI Wire and Cable Tbk ("KMI"), PT Sumi Indo Kabel Tbk ("Sumi") and Taya Viet Nam Electric Wire and Cable Joint Stock Company ("Taya") ("Comparable Companies CCB") (Collectively known as the "Comparable Companies").

We have conducted a search on the principal activities of the Comparable Companies to ensure that there are no fundamental changes in the principal activities of the Comparable Companies for the 12-months prior to the Date of Opinion. We note that the principal activities of the Comparable Companies remain consistent.

The Comparable Companies KUB based on the above parameters that were selected are as follows:

Comparable Companies KUB	Country	Principal activities
WP Energy Public Company Limited ("WP")	Thailand	Trades in LPG under the World Gas brand name. The company operates through, Trading of LPG; and Transportation of Oil, Gas and Chemical Substances segments. It distributes LPG cylinder to the LPG gas filling plants, gas stations, retail gas distributors, and industrial, commercial, household users, as well as offers specialized LPG cylinders for forklift trucks. The company also transports oil, gas, and chemical substances; operates gas station; produces and distributes electricity; repair and maintenance services; and leases vehicles.
Southern Gas Trading Joint Stock Company ("SGT")	Vietnam	Distributes gas products in Vietnam. Its products include residential and industrial LPG; compressed natural gas; and LPG cylinders. The company is also involved in the design consultancy activities; supply of materials and equipment; construction activities; and installation and technology transfer of delivery systems of LPG, compressed natural gas and liquefied natural gas. In addition, it operates 4 storage warehouses with a total capacity of 7,700 tons.
Union Gas Holdings Limited ("Union")	Singapore	Provides fuel products in Singapore. It operates through three segments: LPG, Natural gas, and Diesel. The company engages in the retail distribution of bottled LPG cylinders to residential households, hawker centers, eating houses, coffee shops, and commercial central kitchens, as well as industrial customers under the UnionSG and Sungas brands; and sale of LPG-related accessories, such as stoves, hoods, rubber hoses, and regulators to domestic households. It also sells small cylinders to dormitories and various industrial customers, as well as for corporate and private events and functions; and operates a fuel station under the Energy brand, which produces, sells, and

Comparable Companies KUB	Country	Principal activities
		distributes compressed natural gas primarily to natural gas vehicles and industrial customers for their commercial use.
Pryce Corporation ("Pryce")	Philippines	Engages in the import and distribution of LPG under the PryceGas brand name in the Philippines. It produces and sells industrial gases, such as oxygen and acetylene, as well as trades in other gases, such as argon, carbon dioxide, and nitrogen. As of March 31, 2023, the company operated 10 LPG marine-fed terminals and 81 refilling plants. It is also involved in the development and sale of memorial parks and memorial lots under the Pryce Gardens name; and development and sale of condominium units.

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The Comparable Companies CCB based on the above parameters that were selected are as follows:

Comparable Companies CCB	Country	Principal activities
Southern Cable Group Berhad ("SCG")	Malaysia	Manufactures and sells cables and wires in Malaysia and internationally. It operates through Power Cables and Wires, Communications Cables and Wires, Control and Instrumentation Cables and Wires, and Related Products and Services segments. The company offers cables and wires for power distribution and transmission, communications, and control and instrumentation applications. It also manufactures copper and aluminium rods, plastic compounds, and wooden cable drums; trades in cables and wires, and copper strips; and supplies and installs rectifiers.
PT Jembo Cable Company Tbk ("Jembo")	Indonesia	Manufactures and sells various wires and cables in Indonesia and internationally. It operates through Power Cable, Telephone Cable, and Others segments. The company provides low and medium voltage copper and aluminium cables; overhead transmission and distribution; telecommunication cables with copper and optic fiber conductors.
PT Kabelindo Murni Tbk ("Kabe")	Indonesia	Manufactures and trades in telecommunication and electrical cables in Indonesia. The company offers building wires; low voltage cables, including power and twisted cables; medium voltage cables; and bare conductors, including aluminium and copper conductors, and overhead ground wires, as well as special cables, including polyvinyl chloride and cross linked polyethylene insulation, instrument cable, and fire resistant and flame-retardant cables.
PT KMI Wire and Cable Tbk ("KMI")	Indonesia	Manufactures and sells various power cables in Indonesia. It operates through Manufacturing of Power Cables and Others segments. The company offers aluminium, copper, and ground bare conductors; low voltage power cables comprising aluminium, copper, control, flexible, and instrument cables; medium voltage power cables, such as aluminium and copper cables; high voltage power cables; special purpose cables, including fire resistant, flame retardant, lead sheathed, nylon, and thermocouple cables; aluminium and copper rods, and rod products; and outdoor and indoor telecom cables.
PT Sumi Indo Kabel Tbk ("Sumi")	Indonesia	Manufactures and sells cables and electrical equipment in Indonesia. The company's products include power, control and instrument, telecommunication, and automobile cables, as well as conductors. It also offers bare conductor cables, fire resistance cables, armored and non-armored cables, and low and medium voltage cables. In addition, the company provides low-voltage wires for batteries, earth bond low voltage wires, and vinyl insulated low voltage wires for automobiles, as well as steel tape or steel wire armour cables for underground.
Taya Viet Nam Electric Wire and Cable Joint Stock Company ("Taya")	Vietnam	Manufactures and sells electric wire and cable products in Vietnam and internationally. It offers 600V/1000V wire and cable products; 600V/1000V cross linked polyethylene power cables; medium and high voltage cables of 1 KV to 35 KV; armored steel, steel, and aluminium power cables; single and twisted copper wires; control cables; flexible and capacitive wires in the car; PEW magnetic wires; and Interface wire from UEW. The company was founded in 1955 and is based in Bien Hoa, Vietnam.

It is important to note that CCB and the Comparable Companies are by no means exhaustive and may differ from the Company in terms of, inter alia, composition of business activities, scale of operations, geographical location of operations, profit track record, financial profile, risk profile, future prospects, capital structure, marketability of their securities and other criteria.

One should also note that any comparisons made with respect to the Comparable Companies are merely to provide an indication to the implied valuation of the Company and the selection of the Comparable Companies and adjustments made are highly subjective and judgmental and the selected companies may not be entirely comparable due to various factors.

We have assessed our data using the average, median, quartile 1 and quartile 3 parameters. We have selected these parameters as they offer a robust way to understand the distribution of data without being influenced by the outliers. These parameters provide insight into the central tendency and dispersion of the dataset, aiding in comparison, classification, and outlier detection.

The details and statistics of the Comparable Companies KUB based on the closing market prices as at the Date of Opinion as extracted from S&P Capital IQ are set out as follows:

Comparable Companies KUB	Country	Market Capitalisation	EV/EBITDA multiple ^[1]	Adjusted Market Capitalisation ^[2]	Adjusted EV/EBITDA multiple ^[2]
		RM'million	(times)	RM'million	(times)
WP	Thailand	263.6	4.8	188.1	3.2
SGT	Vietnam	275.9	5.7	240.0	4.8
Union	Singapore	438.9	5.7	229.8	3.4
Pryce	Philippines	831.7	2.8	700.1	2.3
Average			4.7		3.4
Median			5.2		3.3
Quartile 1^[3]			4.3		3.0
Quartile 3^[4]			5.7		3.8

Notes:

[1] Calculated based on the closing market prices and the trailing twelve months financial results as at the Date of Opinion as extracted from S&P Capital IQ.

[2] As the Comparable Companies KUB are listed in foreign stock exchanges, we have adjusted the market capitalisation of the respective Comparable Companies KUB to the Malaysian context based on the following formula:-

$$\text{Adjusted market capitalisation as at the Date of Opinion} = \frac{\text{Market capitalisation as at the Date of Opinion}}{\text{Expected local rate of return of the respective Comparable Companies KUB}} \times \text{Expected Malaysia's rate of return of the respective Comparable Companies KUB}$$

whereby:-

$$\text{Expected local rate of return of the respective Comparable Companies KUB} = \text{Local risk-free rate of the respective Comparable Companies KUB} + \left(\text{Beta of the respective Comparable Companies KUB in relation to the respective local stock market indexes} \times \text{Local market risk premium} \right)$$

and

$$\text{Expected Malaysia's rate of return of the respective Comparable Companies KUB} = \text{Malaysia's risk-free rate} + \left(\text{Beta of the respective Comparable Companies KUB in relation to the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI)} \times \text{Malaysia's market risk premium} \right)$$

The information extracted as at the Date of Opinion is as follows:

Comparable Companies KUB	Country	Risk free rate (%)	Market risk premium (%)	Local market returns (%)
WP	Thailand	2.55	11.66	14.21
SGT	Vietnam	4.26	6.00	10.27
Union	Singapore	3.12	13.86	16.98
Pryce	Philippines	4.62	6.02	10.65

Comparable Companies KUB	Beta (local)	Beta (FBM KLCI)
WP	1.08	0.66
SGT	0.62	0.53
Union	1.03	0.53
Pryce	0.50	0.54

Pursuant to the above, the EV/EBITDA multiples of the Comparable Companies KUB are as follows:-

Comparable Companies KUB	Adjusted EV ⁽ⁱ⁾⁽ⁱⁱ⁾ RM'million	EBITDA ⁽ⁱⁱⁱ⁾ RM'million	Adjusted EV/EBITDA multiple (times)
WP	152.9	47.7	3.2
SGT	194.8	40.4	4.8
Union	319.5	93.1	3.4
Pryce	681.0	294.1	2.3

Notes:-

(i) Translated based on the foreign currency middle exchange rates as at 5.00 p.m. (Malaysian time) on the Date of Opinion as extracted from Bank Negara Malaysia below:-

THB 100 : RM13.2377

VND 100 : RM0.0194

SGD 1 : RM3.5418

PHP 1 : RM0.0848

(ii) EV of the Comparable Companies KUB is calculated as adjusted market capitalisation as at the Date of Opinion plus borrowings, non-controlling interests and preferred shares (if any), less cash and cash equivalents.

(iii) EBITDA of the Comparable Companies KUB excluded material extraordinary items, where applicable.

[3] This represents the value at the 25th percentile of a dataset.

[4] This represents the value at the 75th percentile of a dataset.

APPENDIX VI - VALUATION LETTER (Cont'd)

The details and statistics of the Comparable Companies CCB based on the closing market prices as at the Date of Opinion as extracted from S&P Capital IQ are set out as follows:

Comparable Companies CCB	Country	Market Capitalisation	EV/EBITDA multiple ^[1]	Adjusted Market Capitalisation ^[2]	Adjusted EV/EBITDA multiple ^[2]
		RM'million	(times)	RM'million	(times)
SCG	Malaysia	380.0	8.3	422.5	9.0
Jembo	Indonesia	68.3	4.7	64.3	4.6
Kabe	Indonesia	84.3	5.9	62.6	5.0
KMI	Indonesia	372.0	3.6	333.8	3.0
Sumi	Indonesia	178.2	2.7	85.8	1.4
Taya	Vietnam	59.7	9.0	41.4	6.8
Average			5.7		5.0
Median			5.3		4.8
Quartile 1^[3]			3.8		3.4
Quartile 3^[4]			7.7		6.4

Notes:

[1] Calculated based on the closing market prices and the trailing twelve months financial results as at the Date of Opinion as extracted from S&P Capital IQ.

[2] As some of the Comparable Companies CCB are listed in foreign stock exchanges, we have adjusted the market capitalisation of the respective Comparable Companies to the Malaysian context.

[3] This represents the value at the 25th percentile of a dataset.

[4] This represents the value at the 75th percentile of a dataset.

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RVA – EV/EBITDA Multiple

The table below sets out the fair market value of the entire equity interest of the Company (KUB itself) derived from using EV/EBITDA multiple of the Comparable Companies KUB as at the Date of Opinion as extracted from S&P Capital IQ:

KUB	Adjusted EV/EBITDA multiple ^[1] (times)	EBITDA ^[2] RM'000	Enterprise Value RM'000	Adjustments ^[3]	Equity Value RM'000	No. of KUB Shares '000	Value per ordinary share RM
Average	3.4		154,228		536,537		0.96
Median	3.3	44,784	148,676	382,309	530,985	556,465	0.95
Quartile 1	3.0		133,646		515,955		0.93
Quartile 3	3.8		169,258		551,567		0.99

*Some figures may not be exactly added or computed due to rounding.

Notes:

[1] As the Comparable Companies KUB are listed on foreign stock exchanges, we have adjusted the market capitalisation of the respective Comparable Companies KUB to the Malaysian context.

[2] EBITDA is extracted from the audited financial statements of the Company (KUB itself) for the FYE 30 June 2023, which is summarised as below:

EBITDA of KUB:		RM'000
Profit before zakat and taxation		38,879
Add back:		
Depreciations:-		
- PPE	12,228	
- ROU	1,195	
- Investment Properties	624	
Finance costs	160	
Less:		
- Finance income	(8,302)	
EBITDA		44,784

[3] Adjustments are extracted from the audited financial statements of the Company (KUB itself) for the FYE 30 June 2023, which is summarised as below:

Adjustments	RM'000
Cash and cash equivalents ⁽ⁱ⁾	345,568
Borrowings and lease liabilities ⁽ⁱ⁾	(42,409)
Surplus assets/surplus liabilities ⁽ⁱⁱ⁾ :	
- Investment properties	11,067
- Lease receivables	957
- Other investments	67,126
	382,309

(i) Cash and cash equivalent (net of total borrowings and lease liabilities) are extracted from the audited financial statements for the FYE 30 June 2023 represents the surplus cash of the KUB which is considered in excess of the working capital requirements in generating income and/or cash flows. Excess cash refers to the surplus funds available to a company after accounting for the necessary cash needed to cover its day-to-day operations. Working capital is the difference between a company's current assets (such as cash, accounts receivable, and inventory) and its current liabilities (such as accounts payable and short-term debt). It represents the liquidity available for a company to meet its short-term financial obligations. We have also taken into consideration the payment of RM60.0 million in cash based on the announcement made on Bursa Securities on 29 February 2024 in relation to a material litigation.

(ii) Surplus assets/liabilities are represented by any assets/liabilities that are held by a business that are not core to its underlying operations and do not support the business in any way.

[4] Computed based on a total of 556,464,690 KUB Shares in issue as at the Date of Opinion.

APPENDIX VI - VALUATION LETTER (Cont'd)

The table below sets out the fair market value of the entire equity interest and 86.65% equity interest of CCB derived from using EV/EBITDA multiple of the Comparable Companies CCB as at the Date of Opinion as extracted from S&P Capital IQ:

CCB	Adjusted EV/EBITDA ^[1] multiple (times)	EBITDA ^[2] RM'000	Enterprise Value RM'000	Adjustments ^[3] RM'000	100% Equity Value RM'000	86.65% Equity Value RM'000
Average	5.0		95,425		102,862	89,130
Median	4.8		91,716		99,154	85,917
Quartile 1	3.4	19,211	65,358	7,438	72,796	63,078
Quartile 3	6.4		122,388		129,826	112,494
Maximum	9.0		173,850		181,288	157,086

**Some figures may not be exactly added or computed due to rounding.*

Notes:

- [1] As the Comparable Companies CCB are listed in foreign stock exchanges, we have adjusted the market capitalisation of the respective Comparable Companies to the Malaysian context.
- [2] Extracted from the audited financial statements of the Target Company for the FYE 30 June 2023.
- [3] Adjustments are extracted from the audited financial statements of the Target Company for the FYE 30 June 2023, which summarised as below:

Adjustments	RM'000
Cash and cash equivalents ⁽ⁱ⁾	35,207
Borrowings and lease liabilities ⁽ⁱ⁾	(43,096)
Surplus assets/surplus liabilities ⁽ⁱⁱ⁾ :	
- Investment properties	15,326
	7,438

- (i) Cash and cash equivalents (net of total borrowings and lease liabilities) are extracted from the audited financial statements for the FYE 30 June 2023 represent the surplus cash of the Target Company which is considered in excess of the working capital requirements in generating income and/or cash flows. Excess cash refers to the surplus funds available to a company after accounting for the necessary cash needed to cover its day-to-day operations. Working capital is the difference between a company's current assets (such as cash, accounts receivable, and inventory) and its current liabilities (such as accounts payable and short-term debt). It represents the liquidity available for a company to meet its short-term financial obligations.
- (ii) Surplus assets/liabilities are represented by any assets/liabilities that are held by a business that are not core to its underlying operations and do not support the business in any way.

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APPENDIX VI - VALUATION LETTER (Cont'd)

The table below sets out the fair market value of the entire equity interest of the Company (taking into consideration 86.65% equity interest of CCB) derived from using EV/EBITDA multiple and SOPV method as at the Date of Opinion as extracted from S&P Capital IQ:

Company (Group)	100% Equity Interest of KUB RM'000	86.65% Equity Interest of CCB RM'000	Total Equity interest RM'000	No. of KUB Shares '000	Value per ordinary share RM
Average	536,537	89,130	625,668	556,465	1.12
Median ^[1]	530,985	85,917	616,902		1.11
Quartile 1 ^[2]	515,955	63,078	579,033		1.04
Quartile 3 ^[3]	551,567	112,494	664,061		1.19

*Some figures may not be exactly added or computed due to rounding.

Illustrated below are the additional scenarios in which will affect the value of KUB Shares:

	Equity Interest (before completion of the Offer)^[4] RM'000	Less: Cash payments for redemption of the Consideration RCPS and satisfaction of the Cash Option RM'000	Equity Interest (after completion of the Offer) RM'000	No. of KUB Shares '000	Value per ordinary share RM
(1) All Consideration RCPS are redeemed by the Company in cash and the holders of the Offer Shares opt for Cash Option					
Value of KUB Group (including CCB's 100% equity interest):					
Average	639,400	(137,820)	501,580	556,465	0.90
Median ^[1]	630,139		492,319		0.88
Quartile 1 ^[2]	588,751		450,931		0.81
Quartile 3 ^[3]	681,393		543,573		0.98
(2) All the holders of the Offer Shares opt for Securities Option and all RCPS (including Consideration RCPS) are converted into new KUB Shares					
Value of KUB Group (including CCB's 100% equity interest):					
Average	639,400	-	639,400	786,164	0.81
Median ^[1]	630,139	-	630,139		0.80
Quartile 1 ^[2]	588,751	-	588,751		0.75
Quartile 3 ^[3]	681,393	-	681,393		0.87

*Some figures may not be exactly added or computed due to rounding.

Notes:

- [1] The median is a statistical measure that represents the middle value in a dataset when the values are arranged in ascending order.
- [2] This represents the value at the 25th percentile of a dataset.
- [3] This represents the value at the 75th percentile of a dataset.
- [4] Calculated using 100% equity interest of CCB for illustration of scenarios purposes:

Company (Group)	100% Equity Interest of KUB RM'000	100% Equity Interest of CCB RM'000	Total Equity interest RM'000	No. of KUB Shares '000	Value per ordinary share RM
Average	536,537	102,862	639,400	556,465	1.15
Median ^[1]	530,985	99,154	630,139		1.13
Quartile 1 ^[2]	515,955	72,796	588,751		1.06
Quartile 3 ^[3]	551,567	129,826	681,393		1.22

Based on the above, it is noted that the Estimate of Value, using the Quartile 1 and Quartile 3 of the Adjusted EV/EBITDA Multiple of the Comparable Companies and the EBITDA for the FYE 30 June 2023, are summarized below:

- a) **Estimate of Value ranges from RM1.04 per share to RM1.19 per share with the median of RM1.11 per share** (before completion of the Offer);
- b) **Estimate of Value ranges from RM0.81 per share to RM0.98 per share with the median of RM0.88 per share** (assuming full redemption of Consideration RCPS and all holders of the Offer Shares opt for Cash Option) (after completion of the Offer); **and**
- c) **Estimate of Value ranges from RM0.75 per share to RM0.87 per share with the median of RM0.80 per share** (assuming full conversion of Consideration RCPS into new KUB Shares and all holders of the Offer Shares opt for Securities Option) (after completion of the Offer).

6. CONCLUSION

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgement. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our opinion on the estimate value of the RCPS which is the subject of the Estimate of Value, FHCA has considered various valuation methodologies, which are commonly used for valuation and took into consideration the Company's future earnings generating capabilities and its sustainability as well as various business considerations and risk factors affecting its business.

FHCA has used the NAV as the primary valuation methodology and RVA as secondary method to cross-check the estimate value of the RCPS and the results are as follows:

- i) Based on the NAV methodology, the Estimate of Value is summarised as below:
 - a) **Estimate of Value is RM1.05 per share** (before completion of the Offer);
 - b) **Estimate of Value is RM0.83 per share** (assuming full redemption of Consideration RCPS and all holders of the Offer Shares opt for Cash Option) (after completion of the Offer); **and**
 - c) **Estimate of Value is RM0.76 per share** (assuming full conversion of Consideration RCPS into new KUB Shares and all holders of the Offer Shares opt for Securities Option) (after completion of the Offer).
- ii) Based on the RVA method, it is noted that the Estimate of Value, using the Quartile 1 and Quartile 3 of the Adjusted EV/EBITDA Multiple of the Comparable Companies and the EBITDA for the FYE 30 June 2023, are summarized below:
 - a) **Estimate of Value ranges from RM1.04 per share to RM1.19 per share with the median of RM1.11 per share** (before completion of the Offer);
 - b) **Estimate of Value ranges from RM0.81 per share to RM0.98 per share with the median of RM0.88 per share** (assuming full redemption of Consideration RCPS and all holders of the Offer Shares opt for Cash Option) (after completion of the Offer); **and**
 - c) **Estimate of Value ranges from RM0.75 per share to RM0.87 per share with the median of RM0.80 per share** (assuming full conversion of Consideration RCPS into new KUB Shares and all holders of the Offer Shares opt for Securities Option) (after completion of the Offer).

Premised on the above, based on the NAV methodology, the value of KUB Share has increased from RM0.93 per share to RM1.05 per share after the proposed acquisition of 86.65% equity interest in CCB.

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Based on the salient terms of the RCPS, the holders of the Offer Shares have the option between the Cash Option or the Securities Option. Assuming the holders of the Offer Shares opt for the Cash Option, the estimated value of the RCPS will decrease from RM1.05 per share to **RM0.83 per share**, whereby if all holders of the Offer Shares opt for the Securities Option and all the RCPS (including Consideration RCPS) are fully converted into new KUB Shares, the estimated value of the RCPS further decreases to **RM0.76 per share**, noting that the Securities Option entails potential dilution in shareholding. We note that, should JAG converts all the 199,035,059 Consideration RCPS into 199,035,059 new KUB Shares, the estimated value of the RCPS will decrease from RM1.05 per share to **RM0.78 per share**.

The Estimate of Value should reflect the value of the unlisted securities, being the RCPS, prior to the completion of the Offer which would have been the basis of valuation had the consideration be in the form of KUB Shares instead i.e. on as-is basis. This would allow the holders of the Offer Shares to make a reasonable comparison between the value of their CCB Shares held currently, with the Estimate of Value as disclosed below.

Should an offer entails the issue of securities of a class which is not already quoted, the value should be based on a reasonable estimate, by a competent adviser, of what the estimated value of the RCPS would have been had they been quoted. We have taken the view that the Estimate of Value should be the value of the RCPS as if they are already traded on Bursa Securities which would be pre-completion of the Offer.

That being the case, the Estimate of Value of **RM1.05 per share** based on the pre-completion of Offer scenario should be viewed as a reasonable basis. Notwithstanding, if all holders of the Offer Shares opt for the Securities Option and all the RCPS (including Consideration RCPS) are fully converted into new KUB Shares, the estimated value of the RCPS further decreases to **RM0.76 per share**, noting that the Securities Option entails potential dilution in shareholding.

In addition to the above, we wish to highlight that the estimated valuation of the RCPS provided herein is for illustrative purposes only and should not be considered as a definitive or binding valuation. This valuation represents a theoretical assessment based on certain assumptions and methodologies. It is intended to provide an indication of the potential value of the RCPS in a hypothetical trading scenario and may not reflect actual market conditions or prices. Investors are advised to exercise caution and perform their own independent analysis before making any investment decisions based on this valuation. The actual value of the RCPS may vary from the estimated valuation provided.

7. RESTRICTIONS

Save for the purpose stated herein, this Letter cannot be relied upon by any party other than the Company. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Letter, in whole or in part. Neither FHCA nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Letter, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Letter, or any part hereof.

Yours faithfully
FHMH CORPORATE ADVISORY SDN BHD

NARIMAH MOHD PERAI
Director

ONG WIN NIE
Senior Manager

APPENDIX VII - ADDITIONAL INFORMATION

1. CONSENTS

Maybank IB, the Independent Adviser and the Registrar for the Offer have given and have not subsequently withdrawn their respective written consent to the inclusion in this Offer Document, of their names and all references to them, in the form and context in which they appear in this Offer Document.

The Competent Adviser has given and has not subsequently withdrawn its written consent to the inclusion in this Offer Document of its name and all references thereto and the Valuation Letter, in the form and context in which they appear in this Offer Document.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registrar for the Offer's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from 8.30 a.m. (Malaysian time) to 5.30 p.m. (Malaysian time), Mondays to Fridays (except public holidays) from the date of this Offer Document up to and including the Closing Date:

- (i) the SPA;
- (ii) the Supplemental SPA;
- (iii) the Notice;
- (iv) the audited consolidated financial statements of the Offeror for the 18-month FPE 30 June 2021, FYEs 30 June 2022 and 30 June 2023, and the latest unaudited consolidated financial statements for the 6-month FPE 31 December 2023 as referred to in Sections 6 and 7 of **Appendix IV** of this Offer Document;
- (v) the Valuation Letter;
- (vi) a copy of letter from the SC dated 19 March 2024 in respect of its notification that it has no further comments on the contents of the Offer Document;
- (vii) letters dated 28 February 2024 from the PACs in relation to the Undertakings; and
- (viii) letters of consent referred to in **Section 1** of this Appendix.

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