

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your shares in Century Bond Bhd. (“**CBB**”), you should hand this Document (as defined herein) and the accompanying Form of Proxy immediately to the person through whom the sale or transfer was effected for onward transmission to the purchaser or transferee or you may hand this Document directly to the purchaser or transferee.

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



CENTURY BOND BHD.

(Company No.: 228669-V)
(Incorporated in Malaysia)

PART A

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

PART B

INDEPENDENT ADVICE LETTER FROM PUBLIC INVESTMENT BANK BERHAD TO THE ENTITLED SHAREHOLDERS OF CBB IN RELATION TO THE PROPOSED SCR

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



CIMB Investment Bank Berhad (18417-M)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser



PUBLIC INVESTMENT BANK BERHAD (20027-W)

A Participating Organisation Of Bursa Malaysia Securities Berhad
(Wholly-owned Subsidiary Of Public Bank Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) of CBB, which has been scheduled to be held at Perth Hotel, Level 2, Seminar Room, 21, Jalan Terminal 1, Senai Centrepoint, 81400 Senai, Johor Darul Takzim on Thursday, 20 June 2019 at 12.30 p.m. or immediately upon the conclusion or the adjournment of the 27th Annual General Meeting (“**AGM**”) (as the case may be) which will be held at the same venue on the same date at 12.00 p.m., whichever is later or any adjournment thereof, together with the Form of Proxy are enclosed herewith. Only a depositor (or his or her proxy) whose name appears on the Record of Depositors as at 14 June 2019 shall be entitled to attend the said meeting and to speak or vote thereat.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy to vote for him or her and on his or her behalf, in such event, the Form of Proxy should be completed and deposited at the registered office of the Company at Suites 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd Mufti, 80000 Johor Bahru, Johor Darul Takzim, not later than 24 hours before the time appointed for holding the EGM, or any adjournment thereon. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 19 June 2019 at 12.30 p.m.
Date and time of the EGM : Thursday, 20 June 2019 at 12.30 p.m. or immediately following the conclusion or adjournment of the AGM scheduled to be held at the same venue and on the same date at 12.00 p.m. or any adjournment thereof

DEFINITIONS

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

Act	:	Companies Act, 2016
AGM	:	Annual General Meeting
Board	:	Board of Directors
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
CBB or Company	:	Century Bond Bhd. (Company No. 228669-V)
CBB Group or Group	:	Collectively, CBB and its subsidiary companies
CBB Share(s)	:	Ordinary share(s) of CBB
CCM	:	Companies Commission of Malaysia
CIMB or Principal Adviser	:	CIMB Investment Bank Berhad (Company No. 18417-M)
Circular	:	The circular to the shareholders of CBB in relation to the Proposed SCR as set out in Part A of this Document
CMSA	:	Capital Markets and Services Act, 2007
Distribution	:	Any dividend or other distribution of any nature whatsoever
Document	:	This document dated 27 May 2019 which consists of the Circular, the IAL and all the appendices to the shareholders of CBB, collectively, in relation to the Proposed SCR
Effective Date	:	A date on which an office copy of the Order is lodged with the CCM pursuant to Section 116(6) of the Act
EGM	:	Extraordinary General Meeting
Entitled Shareholders	:	All shareholders of CBB (other than PPSB) whose names appear in the Record of Depositors of CBB on the Entitlement Date and are entitled to the capital repayment pursuant to the Proposed SCR
Entitlement Date	:	A date which shall be determined and disclosed later by the Board of CBB on which the names of the Entitled Shareholders must be registered in CBB's Record of Depositors as at 5:00 p.m. for the purpose of determining their entitlement under the Proposed SCR
EPS	:	Earnings per share
FYE	:	Financial year ended/ending, as the case maybe
FPE	:	Financial period ended/ending, as the case maybe
High Court	:	High Court of Malaya
IAL	:	The independent advice letter from PIVB to the Entitled Shareholders in relation to the Proposed SCR as set out in Part B of this Document
IFRS	:	International Financial Reporting Standards

DEFINITIONS *(cont'd)*

Interested Directors	: Directors of CBB who are deemed interested in the Proposed SCR, namely: (i) Dato' Kamarul Baharin Bin Abbas; (ii) Dato' Ikmal Hijaz Bin Hashim; (iii) Koay Li Onn (Leon); (iv) Ahmad Fariz Bin Hassan; and (v) Azlan Bin Abdul Jalil
KDEB	: Kumpulan Darul Ehsan Berhad (Company No. 148040-T)
LPD	: 21 May 2019, being the latest practicable date prior to the printing of this Document
MBI	: Menteri Besar Selangor (Incorporated)
MFRS	: Malaysia Financial Reporting Standards
NA	: Net assets
Official List	: A list specifying all securities listed on the Main Market of Bursa Securities
Order	: An order from the High Court approving the reduction of the share capital of CBB pursuant to Section 116 of the Act
PBR	: Price-to-book ratio
PER	: Price-to-earnings ratio
Perangsang Selangor	: Kumpulan Perangsang Selangor Berhad (Company No. 23737-K)
PIVB or Independent Adviser	: Public Investment Bank Berhad (Company No. 20027-W)
PPSB or Non-Entitled Shareholder	: Perangsang Packaging Sdn. Bhd. (Company No. 1190574-X), a wholly-owned subsidiary of Perangsang Selangor
Proposed SCR	: Proposed selective capital reduction and repayment exercise to be undertaken by CBB pursuant to Section 116 of the Act involving the reduction of the issued share capital of CBB by way of cancellation of all CBB Shares that are in issue, save for the CBB Shares that are held by the Non-Entitled Shareholder
Record of Depositors	: A record of securities holders provided by Bursa Depository pursuant to the rules of the central depository as defined in the Securities Industry (Central Depositories) Act, 1991
RCPS	: Redeemable convertible preference shares
Rules	: Rules on Take-overs, Mergers and Compulsory Acquisitions
SC	: Securities Commission Malaysia
SCR Offer Letter	: The letter of offer dated 16 April 2019 from PPSB requesting CBB to undertake the Proposed SCR as set out in Appendix I of this Document
SCR Offer Price	: RM1.75 per CBB Share, being the cash consideration to be paid for each CBB Share held by the Entitled Shareholders on the Entitlement Date pursuant to the Proposed SCR
Takeover Offer	: The unconditional mandatory take-over offer by CIMB on behalf of PPSB vide the offer document dated 21 November 2016 to acquire all the remaining CBB Shares not held by PPSB then, which closed on 27 December 2016

DEFINITIONS (cont'd)

CURRENCY

RM and sen : Ringgit Malaysia and sen

All references to “**our Company**” in this Document are to CBB and references to “**our Group**” are to the CBB Group. All references to “**we**”, “**us**” and “**our**” in this Document are to CBB and where the context requires, shall include our subsidiary companies.

All references to “**you**” in this Document are to our shareholders who are entitled to attend and vote at our forthcoming EGM.

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

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

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

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

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SCR CONTAINING:

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NOTICE OF EGM ENCLOSED**FORM OF PROXY ENCLOSED**

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SCR



CENTURY BOND BHD.

(Company No.: 228669-V)

(Incorporated in Malaysia)

Registered office
Suites 5.11 & 5.12
5th Floor, Menara TJB
9, Jalan Syed Mohd Mufti
80000 Johor Bahru
Johor Darul Takzim

27 May 2019

Board of Directors

Dato' Kamarul Baharin Bin Abbas (*Chairman/Director*)
Dato' Ikmal Hijaz Bin Hashim (*Director*)
Koay Li Onn (Leon) (*Director*)
Ahmad Fariz Bin Hassan (*Director*)
Azlan Bin Abdul Jalil (*Director*)
Abdul Hamid Bin Mohamed Ghows (*Independent Director*)

To : The Shareholders of CBB

Dear Sir/Madam,

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE TO BE UNDERTAKEN BY CBB PURSUANT TO SECTION 116 OF THE ACT

1. INTRODUCTION

On 16 April 2019, the Non-Entitled Shareholder served the SCR Offer Letter, requesting CBB to undertake the Proposed SCR. The details of the Proposed SCR are set out in Section 2 of this Document.

On 22 April 2019, the Board of CBB (save for the Interested Directors) deliberated on the SCR Offer Letter after taking into consideration the advice from the Independent Adviser and resolved to table the Proposed SCR to the Entitled Shareholders at the forthcoming EGM for their consideration and approval.

In accordance with Paragraph 3.06 of the Rules, the Board of CBB (save for the Interested Directors) had on 22 April 2019 appointed PIVB as the Independent Adviser to provide comments, opinions, information and recommendation to the Board of CBB (save for the Interested Director) and to the Entitled Shareholders in respect of the Proposed SCR. The IAL is set out in Part B of this Document.

The SC had vide its letter dated 24 May 2019, notified that it has no further comments to this Document. However, such notification shall not be taken to suggest that the SC recommends the Proposed SCR or agrees with the recommendation of the Board or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

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

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SCR

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

As at the LPD, the issued share capital of CBB is RM60,000,000.00 comprising 120,000,000 CBB Shares.

As at the LPD, the Entitled Shareholders hold 1,228,434 CBB Shares, representing approximately 1.02% of the issued share capital of CBB. The interests of the shareholders in CBB based on the Record of Depositors of CBB as at the LPD is set out below:

	<u>No. of CBB Shares</u>	<u>%</u>
PPSB	118,771,566	98.98
Entitled Shareholders	1,228,434	1.02
Total	120,000,000	100.00

CBB will implement the Proposed SCR pursuant to Section 116 of the Act via the reduction of the share capital of CBB from RM60,000,000.00 comprising 120,000,000 CBB Shares to RM57,850,240.50 comprising 118,771,566 CBB Shares by way of cancelling a total of 1,228,434 CBB Shares held by the Entitled Shareholders which is in accordance with the SCR Offer Letter.

Pursuant to the Proposed SCR, the Entitled Shareholders will receive a total capital repayment of RM2,149,759.50 or equivalent to the SCR Offer Price for each existing CBB Share held by the Entitled Shareholders on the Entitlement Date. For avoidance of doubt, the Non-Entitled Shareholder will not be entitled to the repayment of capital pursuant to the Proposed SCR.

Upon successful completion of the Proposed SCR, the share capital of CBB will be reduced by RM2,149,759.50, by way of cancellation of 1,228,434 CBB Shares held by the Entitled Shareholders. PPSB will still hold the remaining 118,771,566 CBB Shares, which are not cancelled pursuant to the Proposed SCR. The said 118,771,566 CBB Shares will amount to the entire issued share capital of CBB, which would result in CBB being a wholly-owned subsidiary of PPSB.

2.1 Basis of arriving at the SCR Offer Price

The SCR Offer Price was arrived at after taking into consideration, among others, the following:

- (i) offer price of RM1.75 per CBB Share made pursuant to the Takeover Offer;
- (ii) PER⁽¹⁾ of approximately 22.10 times based on the audited consolidated net profit of RM9,503,789.00 (attributable to the owners of CBB) for the CBB Group for the FYE 31 December 2018; and
- (iii) PBR⁽²⁾ of approximately 1.73 times based on the audited consolidated NA of RM121,633,845.00 for the FYE 31 December 2018.

PPSB has not acquired any CBB Shares at a price higher than the SCR Offer Price during the past 6 months prior to 16 April 2019, being the date of the SCR Offer Letter. Should PPSB or any persons acting in concert with it acquire any CBB Shares at a price higher than the SCR Offer Price during the period commencing from the date of the SCR Offer Letter until the completion of the Proposed SCR, the SCR Offer Price will be revised to the higher price paid by PPSB accordingly.

As at the LPD, save for the SCR Offer Letter, CBB has not received any alternative offer for the CBB Shares or any other offer to acquire its assets and liabilities.

Notes:

- (1) *Computed based on the following: (SCR Offer Price x CBB outstanding shares) / audited consolidated net profit (attributable to the owners of CBB) for the CBB Group.*
- (2) *Computed based on the following: (SCR Offer Price x CBB outstanding shares) / audited consolidated NA of CBB Group.*

2.2 Distribution

If CBB declares, makes and/or pays any Distribution during the period from the date of the SCR Offer Letter up to the date of completion of the Proposed SCR, the SCR Offer Price shall be reduced by an amount equivalent to the net Distribution made per CBB Share.

CBB has not declared any Distribution during the period from the date of the SCR Offer Letter up to the LPD.

2.3 Funding

The Proposed SCR will be funded through the internal funds of CBB.

Having considered the financial position of CBB, the Board of CBB has confirmed and CIMB, being the Principal Adviser to CBB for the Proposed SCR, is satisfied that the Proposed SCR, once effective, will not fail by reason of insufficient financial capability of CBB and the Entitled Shareholders will be paid in full by way of cash.

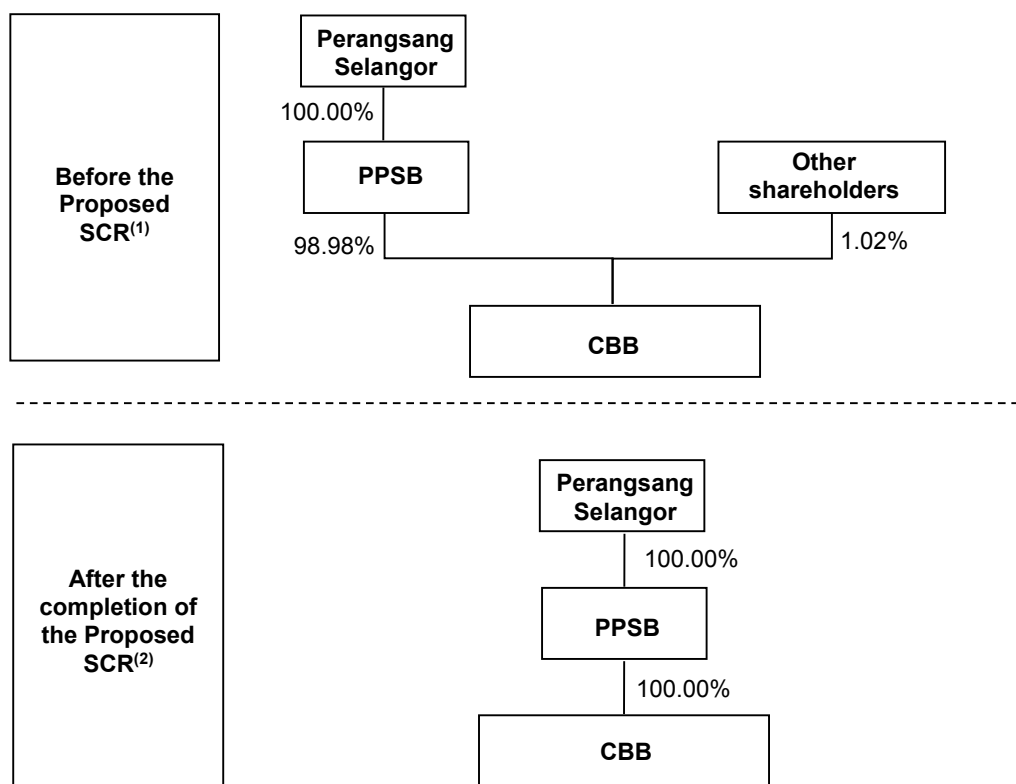
2.4 Unlisted status

CBB was delisted and withdrawn from the Official List of Bursa Securities on 18 January 2017.

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3. CORPORATE STRUCTURE

The corporate structure of CBB before and after the Proposed SCR, based on direct shareholdings is set out below:



Notes:

- (1) Shareholding structure as at the LPD.
- (2) Upon completion of the repayment and cancellation of the Entitled Shareholders' shareholdings in CBB.

4. MODE AND TIMING OF SETTLEMENT

The settlement of the SCR Offer Price will be effected via electronic remittance to the eDividend accounts of the Entitled Shareholders duly registered with Bursa Depository. For the Entitled Shareholders who do not maintain eDividend accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered address last maintained with Bursa Depository at their own risk within 10 days from the Effective Date.

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

Non-resident Entitled Shareholders are advised that the settlement of the SCR Offer Price will be made in RM. Non-resident Entitled Shareholders who wish to convert the said consideration received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective financial institutions.

5. RATIONALE FOR THE PROPOSED SCR

On 31 October 2016, PPSB had extended the Takeover Offer on CBB following the share sale agreement for the acquisition of 71.44% equity interest in CBB became unconditional. Following the close of the Takeover Offer on 27 December 2016, PPSB's equity interest in CBB was at approximately 93.10% and hence, the trading of CBB Shares was suspended on 5 January 2017. On 5 January 2017, PPSB also issued a notice pursuant to Section 223 of the CMSA to the shareholders of CBB who have not accepted the Takeover Offer, informing them of their rights to dispose their CBB Shares to PPSB based on the same terms as the Takeover Offer. Following the notice pursuant to Section 223 of the CMSA, PPSB held approximately 98.98% equity interest in CBB on 28 March 2017.

Subsequent to the Takeover Offer, CBB was delisted and withdrawn from the Official List of Bursa Securities on 18 January 2017 and hence, CBB Shares are no longer being traded on the Main Market of Bursa Securities. Accordingly, the minority shareholders of CBB do not have any readily available avenue to monetise their investments in CBB. As such, the Proposed SCR provides an opportunity for the Entitled Shareholders to realise their investments, rather than continue to hold the unlisted CBB Shares.

Upon the completion of the Proposed SCR, PPSB will be the only shareholder of CBB and hence the Proposed SCR will provide CBB with better flexibility to undertake any corporate exercise/scheme in the future. In addition, the Proposed SCR will also facilitate the elimination of administrative efforts and costs pertaining to CBB's obligations to its shareholder, which can be utilised more effectively and efficiently in the core business of CBB.

6. FUTURE PLANS FOR THE CBB GROUP AND ITS EMPLOYEES

The Board of CBB (save for the Interested Directors) has taken note of the intention of the Non-Entitled Shareholder as at the LPD in respect of the businesses and employees of the CBB Group after the completion of the Proposed SCR, and the future plans are set out below:

- (i) the Non-Entitled Shareholder intends to continue with the existing businesses of the CBB Group and does not have any plan or intention to liquidate CBB in the foreseeable future;
- (ii) the Non-Entitled Shareholder has no immediate plan or intention to introduce or effect any major changes to the business of the CBB Group, or to dispose or re-deploy the fixed assets of the CBB Group. The Non-Entitled Shareholder may rationalise or restructure the business and operations of the CBB Group including implementing changes to its shareholding, corporate and capital structure, expansion of certain businesses, acquisitions, disposal and/or deployment of assets and/or operational changes with the CBB Group if the need arises. Furthermore, the Non-Entitled Shareholder may also from time to time review strategic options with regards to the businesses of the CBB Group. As at the LPD, there has been no final decision made on these strategic options;
- (iii) CBB is continuously exploring opportunities to expand its existing businesses. Currently, CBB is engaged in discussions to acquire a stake in a company in which its business is similar in nature to CBB's existing businesses. The size of the target company in terms of the turnover is not expected to exceed 20% of the total turnover of the CBB Group for financial year 2018 and the profit after tax of the target company is not expected to exceed 45% of the total profit after tax of the CBB Group for the financial year 2018. Notwithstanding the ongoing discussions, there is no certainty that the potential acquisition will materialise; and
- (iv) the Non-Entitled Shareholder has no plan to dismiss or make redundant the employees of the CBB Group as a direct consequence of the Proposed SCR, which includes the existing management team of CBB who will continue to manage the day-to-day operations of CBB. Nevertheless, there may be measures to further improve the efficiency of operations and constructive measures will be undertaken from time to time to optimise the CBB Group's staff productivity.

Notwithstanding the above, the Non-Entitled Shareholder retains the flexibility to consider any options which are in the best interest of the CBB Group that may present themselves.

As at the LPD, the Board of CBB (save for the Interested Directors) has also taken note that the Non-Entitled Shareholder has not entered into any negotiation or arrangement or understanding with any third party with regards to any significant change to the business of the CBB Group, assets or shareholding structure of CBB.

7. EFFECTS OF THE PROPOSED SCR

7.1 Share capital

The effect of the Proposed SCR on the issued share capital of CBB is as follows:

	No. of CBB Shares	RM
As at the LPD	120,000,000	60,000,000.00
Less: CBB Shares to be cancelled pursuant to the Proposed SCR	1,228,434	2,149,759.50
Issued share capital upon completion of the Proposed SCR	118,771,566	57,850,240.50

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7.2 Substantial shareholders' shareholding

The effect of the Proposed SCR on the direct and indirect interests of the substantial shareholders of CBB based on the Register of Substantial Shareholders of CBB as at the LPD is as follows:

Shareholder	As at the LPD			After the Proposed SCR			
	Direct		Indirect	Direct		Indirect	
	No. of CBB Shares	%	No. of CBB Shares	%	No. of CBB Shares	%	
PPSB	118,771,566	98.98	-	-	118,771,566	100.00	-
Perangsang Selangor	-	-	(1)118,771,566	(1)98.98	-	-	(1)118,771,566
KDEB	-	-	(2)118,771,566	(2)98.98	-	-	(2)118,771,566
MBI	-	-	(3)118,771,566	(3)98.98	-	-	(3)118,771,566

Notes:

- (1) Deemed interested by virtue of its interest in PPSB pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its interest in Perangsang Selangor pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its interest in KDEB pursuant to Section 8 of the Act.

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7.3 NA per CBB Share and gearing

The effect of the Proposed SCR on the consolidated NA per CBB Share and the CBB Group based on the latest audited consolidated statements of financial position of CBB for the FYE 31 December 2018 and on the assumption that the Proposed SCR had been effected on that date are as follows:

	Audited	After the
	FYE 31 December 2018	Proposed SCR
	RM	RM
Share capital	60,000,000.00	57,850,240.50
Retained earnings	55,248,363.00	⁽¹⁾ 54,548,363.00
Other reserves	6,385,482.00	6,385,482.00
Equity attributable to shareholders of CBB	121,633,845.00	118,784,085.50
Non-controlling interests	3,282,028.00	3,282,028.00
Total equity	124,915,873.00	122,066,113.50
No. of CBB Shares in issue	120,000,000	118,771,566
NA per CBB Share (RM)	1.01	1.00
Total borrowings	26,571,920.00	26,571,920.00
Gearing (times) ⁽²⁾	0.22	0.23

Notes:

(1) After deducting estimated expenses relating to the Proposed SCR of approximately RM700,000.00.

(2) Calculated based on total borrowings divided by equity attributable to shareholders of the CBB.

Based on the latest audited consolidated statements of financial position of CBB as at 31 December 2018, the consolidated NA per CBB Share is at RM1.01. Assuming that the Proposed SCR had been effected on 31 December 2018, the consolidated NA per CBB Share will be at RM1.00.

7.4 Earnings and EPS

The Proposed SCR will be effected via a reduction in the share capital of CBB and hence is not expected to have any material effect on the earnings and EPS of CBB for the FYE 31 December 2018 save for the estimated expenses of RM700,000.00 to be incurred which will reduce the earnings of CBB. Nonetheless, as a result of the cancellation of 1,228,434 CBB Shares pursuant to the Proposed SCR which will reduce the number of CBB Shares in issue, the consolidated EPS of CBB will increase accordingly.

7.5 Convertible securities

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

8. CONDITIONS TO THE PROPOSED SCR

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

- (i) approval from the non-interested shareholders (all shareholders of CBB, other than PPSB or any persons acting in concert with it) ("**Disinterested Shareholders**") via a special resolution at the forthcoming EGM which is required to be approved by at least a majority in number of the Disinterested Shareholders and 75.00% in value to the votes attached to the CBB Shares held by the Disinterested Shareholders that are cast either in person or by proxy at the EGM, and the value of the votes cast against the Proposed SCR must not be more than 10.00% of the votes attaching to all disinterested shares of the total voting shares of CBB;
- (ii) granting of the Order by the High Court; and
- (iii) consent from relevant creditors/lenders of CBB, if required.

Upon the aforementioned conditions being fulfilled, the Proposed SCR shall be binding on all of the shareholders of CBB notwithstanding that there may have been some Entitled Shareholders other than the Non-Entitled Shareholder who:

- (a) voted against or abstained from voting on the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM; and/or
- (b) opted not, or were unable to attend the EGM to vote.

The Proposed SCR is not conditional upon any other corporate exercise/scheme of CBB.

The Proposed SCR will become effective on the Effective Date.

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

Save as disclosed below, none of the Directors, major shareholders of CBB and/or persons connected with them has any interest, direct or indirect, in the Proposed SCR:

(i) Interested Directors

- (a) Dato' Kamarul Baharin Bin Abbas, being a director of CBB and PPSB nominated by Perangsang Selangor;
- (b) Dato' Ikmal Hijaz Bin Hashim, being a director of CBB nominated by Perangsang Selangor;
- (c) Koay Li Onn (Leon), being a director of CBB nominated by Perangsang Selangor;
- (d) Ahmad Fariz Bin Hassan, being a director of CBB and PPSB nominated by Perangsang Selangor; and
- (e) Azlan Bin Abdul Jalil, being a director of CBB nominated by Perangsang Selangor.

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

(ii) Non-Entitled Shareholder

PPSB, being the major shareholder of CBB.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings of CBB in respect of the Proposed SCR. The Non-Entitled Shareholder will abstain from voting in respect of its direct and/or indirect shareholdings, if any, in CBB on the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

The Interested Directors and the Non-Entitled Shareholder will ensure that persons connected with them, if any, will also abstain from voting in respect of their direct and/or indirect shareholdings, if any, in CBB on the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

10. OUTSTANDING PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

Save for the Proposed SCR, there are no outstanding corporate proposals which have been announced by CBB but pending completion as at the LPD.

11. INDEPENDENT ADVISER

In compliance with the requirement under Paragraph 3.06 of the Rules, PIVB has been appointed as the Independent Adviser on 22 April 2019 to provide comments, opinions, information and recommendations to the Board of CBB (save for the interested Directors) and to the Entitled Shareholders in respect of:

- (i) the fairness and reasonableness of the Proposed SCR; and
- (ii) whether the Entitled Shareholders should vote in favour of the Proposed SCR.

PIVB had, on 24 April 2019, confirmed to the SC on its eligibility to act as the Independent Adviser in relation to the Proposed SCR. Please refer to Part B of this Document for the IAL in relation to the Proposed SCR. The Entitled Shareholders are advised to read and carefully consider the contents of the IAL before voting on the special resolution.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Board of CBB expects the Proposed SCR to be completed by fourth quarter of 2019.

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

Key event	Tentative timeline
EGM for the Proposed SCR	20 June 2019
Filing of the application to the High Court for the Proposed SCR	End June 2019
Announcement on the granting of the Order from the High Court*	End September 2019*
Announcement on the Entitlement Date	End September 2019
<ul style="list-style-type: none">• Entitlement Date• Lodgement of the Order with the CCM• Announcement on the notice of suspension	Mid October 2019*
Settlement of the SCR Offer Price and completion of the Proposed SCR	End October 2019

Note:

- * *The timeline is indicative and the actual timing will depend on, among others, the directions and timeline given by the High Court in respect of the Order to confirm the Proposed SCR.*

13. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed SCR and with the advice and recommendation of the Independent Adviser, the Board of CBB (save for the Interested Directors) is of the opinion that the Proposed SCR is **FAIR AND REASONABLE**, and in the best interest of the Entitled Shareholders.

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

14. EGM

The notice convening the EGM is enclosed together with this Document. The EGM will be held at Perth Hotel, Level 2, Seminar Room, 21, Jalan Terminal 1, Senai Centrepont, 81400 Senai, Johor Darul Takzim on Thursday, 20 June 2019 at 12.30 p.m. or immediately upon the conclusion or the adjournment of the 27th AGM (as the case may be) which will be held at the same venue on the same date at 12.00 p.m., whichever is later or any adjournment thereof for the purpose of considering and, if thought fit, passing, with or without modification, the special resolution to give effect to the Proposed SCR.

In the event that you wish to appoint a proxy to attend and vote on your behalf at the forthcoming EGM, you need to complete, sign and return the enclosed Form of Proxy in accordance with the instructions thereon as soon as possible so as to arrive at the registered office of the Company at Suites 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor Darul Takzim not later than 24 hours before the time appointed for holding the EGM or any adjournment thereon. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

15. FURTHER INFORMATION

For further information, please refer to the attached appendices and other parts of this Document.

Yours faithfully
For and on behalf of the Board of
CENTURY BOND BHD.

Abdul Hamid Bin Mohamed Ghows
INDEPENDENT DIRECTOR

PART B

IAL FROM PIVB TO THE ENTITLED SHAREHOLDERS IN RELATION TO THE PROPOSED SCR

EXECUTIVE SUMMARY

ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THE WORDS AND EXPRESSIONS PROVIDED IN THE “DEFINITIONS” SECTION AND CONTEXT OF THE DOCUMENT, EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES OR WHERE OTHERWISE DEFINED IN THIS IAL. ALL REFERENCES TO “WE”, “US” OR “OUR” IN THIS IAL ARE REFERENCES TO PIVB, BEING THE INDEPENDENT ADVISER IN RELATION TO THE PROPOSED SCR.

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE PROPOSED SCR. ENTITLED SHAREHOLDERS ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THE IAL FOR FURTHER INFORMATION AND THE RECOMMENDATION FROM PIVB, BEING THE INDEPENDENT ADVISER IN RELATION TO THE PROPOSED SCR. THE IAL SHOULD ALSO BE READ IN CONJUNCTION WITH THE CIRCULAR INCLUDING THE APPENDICES THEREIN, FOR OTHER RELEVANT INFORMATION, BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED SCR AT THE FORTHCOMING EGM OF CBB.

1. INTRODUCTION

On 16 April 2019, the Non-Entitled Shareholder served the SCR Offer Letter, requesting CBB to undertake the Proposed SCR. The details of the Proposed SCR are set out in Section 2, Part A of this Document.

On 22 April 2019, the Board of CBB (save for the Interested Directors) had deliberated on the SCR Offer Letter and resolved to table the Proposed SCR to the Entitled Shareholders for their consideration and approval at the forthcoming EGM. In accordance with Paragraph 3.06 of the Rules, the Board of CBB (save for the Interested Directors) had on even date, appointed PIVB as the Independent Adviser to provide comments, opinions, information and recommendation to the Board of CBB (save for the Interested Directors) and the Entitled Shareholders in respect of the Proposed SCR.

The SC had vide its letter dated 24 May 2019, notified that it has no further comments on the contents of this IAL. However, such notification shall not be taken to suggest that the SC agrees with the recommendation contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

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

2. EVALUATION OF THE PROPOSED SCR

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

- (i) the term “fair and reasonable” should generally be analysed as 2 distinct criteria, i.e. whether the Proposed SCR is “fair” and whether the Proposed SCR is “reasonable”, rather than as a composite term;
- (ii) the Proposed SCR is considered as “fair” if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the CBB Shares. However, if the SCR Offer Price is equal to or higher than the market price but is lower than the value of the CBB Shares, the Proposed SCR is considered as “not fair”;
- (iii) in considering whether the Proposed SCR is “reasonable”, we have taken into consideration matters other than the valuation of the CBB Shares; and
- (iv) generally, the Proposed SCR would be considered “reasonable” if it is “fair”.

Our evaluation on the Proposed SCR is based on the following:

Fairness of the Offer

Valuation of CBB Shares

Based on the NA of the Group, the fair value per CBB Share is RM1.01. The SCR Offer Price represents a **premium** of RM0.74 or equivalent to 73.27% over the NA per CBB Share of RM1.01.

Further information on the assessment of the valuation of CBB Shares is set out in Section 6.1 of this IAL.

Premised on the assessment of the SCR Offer Price as set out in Section 6 of this IAL, we are of the opinion that the Proposed SCR is FAIR.

Reasonableness of the Offer

An opportunity for Entitled Shareholders to realise their investment

We noted that the Proposed SCR is made to provide **an opportunity for the Entitled Shareholders to realise and monetise their investment** in the Company at a premium of 73.27% over the audited consolidated NA per share of CBB as at 31 December 2018 of RM1.01. The Entitled Shareholders may not otherwise have the opportunity to realise and monetise their investment at a premium as there is no active market for the unlisted CBB Shares.

Further information on the exit opportunity is set out in Section 7.1 of this IAL.

Premised on the evaluation as set out in Section 7 of this IAL, we are of the view that the Proposed SCR is REASONABLE.

3. RECOMMENDATION

Based on the above and our evaluation, we are of the opinion that the Proposed SCR is **FAIR** and **REASONABLE**. Accordingly, we advise and recommend that the Entitled Shareholders **VOTE IN FAVOUR** of the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

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Registered Office:

27th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur

27 May 2019

To: The Entitled Shareholders of CBB

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER TO THE ENTITLED SHAREHOLDERS OF CBB IN RELATION TO THE PROPOSED SCR

1. PREAMBLE

This IAL is prepared for inclusion in this Document. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the “Definitions” section of this Document, except where the context otherwise requires or where otherwise defined herein. All references to “we”, “us” or “our” in this IAL are references to PIVB, being the Independent Adviser in relation to the Proposed SCR.

2. INTRODUCTION

On 16 April 2019, the Non-Entitled Shareholder served the SCR Offer Letter, requesting CBB to undertake the Proposed SCR. The details of the Proposed SCR are set out in Section 2, Part A of this Document.

On 22 April 2019, the Board of CBB (save for the Interested Directors) had deliberated on the SCR Offer Letter and resolved to table the Proposed SCR to the Entitled Shareholders for their consideration and approval at the forthcoming EGM. In accordance with Paragraph 3.06 of the Rules, the Board of CBB (save for the Interested Directors) had on even date, appointed PIVB as the Independent Adviser to provide comments, opinions, information and recommendation to the Board of CBB (save for the Interested Directors) and the Entitled Shareholders in respect of the Proposed SCR.

The SC had vide its letter dated 24 May 2019, notified that it has no further comments on the contents of this IAL. However, such notification shall not be taken to suggest that the SC agrees with the recommendation contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

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

NON-INTERESTED SHAREHOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS DOCUMENT TOGETHER WITH THE ACCOMPANYING APPENDICES BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED SCR TO BE TABLED AT THE FORTHCOMING EGM OF CBB.

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

PUBLIC INVESTMENT BANK BERHAD (20027-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Head Office : 25th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur
Peti Surat 10988, 50732 Kuala Lumpur. Telephone : 03 - 21669382 (10 lines) Facsimile : 03 - 21669386

(Wholly-owned subsidiary of Public Bank Berhad)

3. DETAILS OF THE PROPOSED SCR

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

The details of the Proposed SCR are as follows:

1.	Consideration for the Proposed SCR	<p>The Entitled Shareholders will receive a cash consideration of RM1.75 per CBB Share pursuant to the Proposed SCR.</p> <p>If CBB declares makes and/or pays any Distribution during the period from the date of the SCR Offer Letter up to the date of completion of the Proposed SCR, the SCR Offer Price shall be reduced by an amount equivalent to the net Distribution made per CBB Share.</p> <p>CBB has not declared any Distribution during the period from the date of the SCR Offer Letter up to the LPD.</p>
2.	Mode and timing of settlement	<p>The settlement of the SCR Offer Price will be effected via electronic remittance to the eDividend accounts of the Entitled Shareholders duly registered with Bursa Depository. For the Entitled Shareholders who do not maintain eDividend accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered address last maintained with Bursa Depository at their own risk within 10 days from the Effective Date.</p>
3.	Conditions to the Proposed SCR	<p>The Proposed SCR is subject to and conditional upon the following being obtained:</p> <ul style="list-style-type: none">(i) approval from the Disinterested Shareholders via a special resolution at the forthcoming EGM which is required to be approved by at least a majority in number of the Disinterested Shareholders and 75.00% in value to the votes attached to the CBB Shares held by the Disinterested Shareholders that are cast either in person or by proxy at the EGM, and the value of the votes cast against the Proposed SCR must not be more than 10.00% of the votes attaching to all disinterested shares of the total voting shares of CBB;(ii) granting of the Order by the High Court; and(iii) consent from relevant creditors/lenders of CBB, if required.

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4.	Irrevocable undertaking	<p>As at the LPD, the Board of CBB and the Non-Entitled Shareholder, have received the undertaking letters from the following shareholders to vote in favour of the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM:</p> <table border="1" data-bbox="568 322 1385 734"> <thead> <tr> <th data-bbox="568 322 746 528">Receipt date of the letter by CBB/Non-Entitled Shareholder</th> <th data-bbox="746 322 927 528">Date of the letter</th> <th data-bbox="927 322 1118 528">Name of the shareholders</th> <th data-bbox="1118 322 1241 528">Number of CBB Shares held</th> <th data-bbox="1241 322 1385 528">% of CBB Shares held against CBB Shares in issue</th> </tr> </thead> <tbody> <tr> <td data-bbox="568 528 746 568">7 May 2019</td> <td data-bbox="746 528 927 568">24 April 2019</td> <td data-bbox="927 528 1118 568">Goh Lee Kian</td> <td data-bbox="1118 528 1241 568">5,000</td> <td data-bbox="1241 528 1385 568">0.004%</td> </tr> <tr> <td data-bbox="568 568 746 609">16 May 2019</td> <td data-bbox="746 568 927 609">24 April 2019</td> <td data-bbox="927 568 1118 609">Ng Siew Hoon</td> <td data-bbox="1118 568 1241 609">5,000</td> <td data-bbox="1241 568 1385 609">0.004%</td> </tr> <tr> <td data-bbox="568 609 746 649">16 May 2019</td> <td data-bbox="746 609 927 649">24 April 2019</td> <td data-bbox="927 609 1118 649">Chan Yit Fah</td> <td data-bbox="1118 609 1241 649">40,000</td> <td data-bbox="1241 609 1385 649">0.033%</td> </tr> <tr> <td data-bbox="568 649 746 689">16 May 2019</td> <td data-bbox="746 649 927 689">24 April 2019</td> <td data-bbox="927 649 1118 689">Fun Yoon Fah</td> <td data-bbox="1118 649 1241 689">20,000</td> <td data-bbox="1241 649 1385 689">0.017%</td> </tr> <tr> <td data-bbox="568 689 746 734">21 May 2019</td> <td data-bbox="746 689 927 734">24 April 2019</td> <td data-bbox="927 689 1118 734">Kou Pic Yen</td> <td data-bbox="1118 689 1241 734">10,000</td> <td data-bbox="1241 689 1385 734">0.008%</td> </tr> </tbody> </table> <p>Save for the abovementioned undertaking, as at the LPD, the Board of CBB and the Non-Entitled Shareholder and persons acting in concert have not received any other irrevocable undertaking from any Entitled Shareholders to vote in favour or against the Proposed SCR at the forthcoming EGM.</p>	Receipt date of the letter by CBB/Non-Entitled Shareholder	Date of the letter	Name of the shareholders	Number of CBB Shares held	% of CBB Shares held against CBB Shares in issue	7 May 2019	24 April 2019	Goh Lee Kian	5,000	0.004%	16 May 2019	24 April 2019	Ng Siew Hoon	5,000	0.004%	16 May 2019	24 April 2019	Chan Yit Fah	40,000	0.033%	16 May 2019	24 April 2019	Fun Yoon Fah	20,000	0.017%	21 May 2019	24 April 2019	Kou Pic Yen	10,000	0.008%
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21 May 2019	24 April 2019	Kou Pic Yen	10,000	0.008%																												
5.	Financial resources for the Proposed SCR	<p>The Proposed SCR will be funded through the internal funds of CBB.</p> <p>Having considered the financial position of CBB, the Board of CBB has confirmed and CIMB, being the Principal Adviser to CBB for the Proposed SCR, is satisfied that the Proposed SCR, once effective, will not fail by reason of insufficient financial capability of CBB and the Entitled Shareholders will be paid in full by way of cash.</p>																														

Further details on the Proposed SCR are set out in Section 2, Part A of this Document.

4. LIMITATIONS TO THE EVALUATION OF THE PROPOSED SCR

PIVB was not involved in any formulation, deliberations and/or negotiations pertaining to the terms and conditions of the Proposed SCR. PIVB's terms of reference as an independent adviser is limited to expressing an independent opinion on the assessment of the fairness and reasonableness of the Proposed SCR based on the following:

- (i) information contained in the SCR Offer Letter, Part A of this Document and the appendices attached thereto;
- (ii) audited consolidated financial statements of CBB for the FYE 31 December 2018;
- (iii) information furnished by the Board and management of CBB;
- (iv) discussions with the Board and management of CBB; and
- (v) other relevant publicly available information.

We have made all reasonable enquiries to the Board and management of CBB and have relied on the Board and management of CBB to take due care to ensure that all information, documents and representations in respect of the Group provided to us by them to facilitate our evaluation of the Proposed SCR are accurate, valid and complete in all material aspects. The Board of CBB has confirmed to us that all relevant material facts and information essential to the evaluation of the Proposed SCR have been disclosed to us and has accepted full responsibility for the accuracy of the information provided to us. After making all reasonable enquiries and to the best of our knowledge and belief, we are satisfied that all relevant facts and information and/or representations necessary for our evaluation of the Proposed SCR have been disclosed to us and that such information is sufficient, accurate, valid and there is no omission of any material facts, which would make any information provided to us incomplete, misleading or inaccurate.

In rendering our advice, PIVB had taken note of pertinent factors, which we believe are necessary and of importance to our assessment of the Proposed SCR and therefore of general concern to the Entitled Shareholders. As such:

- (i) PIVB's views and recommendation as contained in the IAL only cater to the Entitled Shareholders at large and not to any Entitled Shareholder individually. Hence, in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual Entitled Shareholder or any specific group of Entitled Shareholders; and
- (ii) we recommend that any individual Entitled Shareholder or group of Entitled Shareholder who is in doubt as to the action to be taken or require advice in relation to the Proposed SCR in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, consult their respective stockbroker, banker, solicitor, accountant or other professional advisers immediately.

PIVB will immediately notify the SC in writing and the Entitled Shareholders by way of an announcement via press notice if, after despatching this IAL, as guided by subparagraph 11.07(1) of the Rules, we become aware that this IAL:

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

If circumstances require, a supplementary IAL will be sent to the Entitled Shareholders in accordance with subparagraph 11.07(2) of the Rules.

5. EVALUATION OF THE PROPOSED SCR

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

- (i) the term "fair and reasonable" should generally be analysed as 2 distinct criteria, i.e. whether the Proposed SCR is "fair" and whether the Proposed SCR is "reasonable", rather than as a composite term;
- (ii) the Proposed SCR is considered as "fair" if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the CBB Shares. However, if the SCR Offer Price is equal to or higher than the market price but is lower than the value of the CBB Shares, the Proposed SCR is considered as "not fair";
- (iii) in considering whether the Proposed SCR is "reasonable", we have taken into consideration matters other than the valuation of the CBB Shares; and
- (iv) generally, the Proposed SCR would be considered "reasonable" if it is "fair".

We have taken into consideration the following factors in our evaluation of the Proposed SCR:

<u>Fairness of the Proposed SCR:</u>	
(i) Valuation of CBB Shares	Section 6.1
<u>Reasonableness of the Proposed SCR:</u>	
(i) An opportunity for Entitled Shareholders to realise their investment	Section 7.1

6. FAIRNESS OF THE PROPOSED SCR

6.1 Valuation of CBB Shares

In making this assessment, the value of CBB Shares was assessed based on the assumption that 100.00% of the issued share capital of CBB is being acquired.

The CBB Group is principally involved in the manufacturing of paper bags, carton boxes, plastic packaging as well as contract manufacturing of household care products. The CBB Group operates its business in Malaysia, Singapore and Indonesia where approximately 80.84% of its revenue for the FYE 31 December 2018 was derived from the paper packaging segment.

Valuation methodology

In arriving at the fair value of the CBB Shares, we have considered the enterprise value (“EV”)/earnings before interest, tax, depreciation and amortisation (“EBITDA”) multiple valuation method (“EV/EBITDA”) and the NA of CBB Group.

(i) EV/EBITDA multiple

The EV/EBITDA multiple valuation method is a relative valuation approach used to provide an indication of market expectations on the valuation of companies as compared to its peers. EV is an economic measure reflecting the market value of an entire business and is computed as market capitalisation add debt and non-controlling interests, less total cash and cash equivalents.

We have considered the EV/EBITDA multiple valuation method in arriving at the fair value of the CBB Shares due to the following considerations:

- (a) earnings is generally considered to be a key determinant of the value of a manufacturing based company;
- (b) CBB Group has been operating profitably and has been in the same business operations for the past 5 FYEs from FYE 31 March 2014 to FYE 31 December 2018. Kindly note that the Company changed its financial year end from 31 March to 31 December in 2016 and hence, financial results for the FPE 31 December 2016 were for a 9-month period from 1 April 2016 to 31 December 2016; and
- (c) the EV/EBITDA multiple is capital structure-neutral and therefore, will not be affected by changes and dissimilarities in capital structure such as different leverage level and borrowing costs, whilst comparing the selected comparable companies with varying market capitalisation. It is also not affected by differences in accounting of depreciation and amortisation, which can be computed at different rates over time.

Notwithstanding the above, the ascribed equity value of the entire equity interest in the Company based on the EV/EBITDA multiple valuation method is lower than the NA of the CBB Group. As such, we are of the opinion that the earnings streams generated by the assets of CBB under EV/EBITDA multiple valuation method cannot be used to justify the valuation of the assets and hence, we have adopted the NA of CBB Group as its fair value.

(ii) NA

We have considered the NA of CBB Group which represents the net worth of a company and is computed based on the difference between the total assets and total liabilities as at certain point in time.

Based on the audited consolidated financial statements of CBB as at 31 December 2018, the NA of the Group is RM1.01 per CBB Share. In view that the earnings streams generated by the assets of CBB under EV/EBITDA multiple valuation method cannot be used to justify the valuation of the assets as illustrated by the ascribed equity value of the Group based on the EV/EBITDA multiple valuation method which is lower than the NA of the Group, we have considered the NA as the most appropriate valuation methodology to arrive at the fair value of the CBB Group.

The composition of the audited consolidated NA of CBB as at 31 December 2018 is as follows:

	Audited as at 31 December 2018 RM'000
ASSETS	
Non-current assets	
Property, plant and equipment ^(a)	44,191
Prepaid lease payments ^(b)	2,689
Deferred tax assets	97
	46,977
Current assets	
Inventories ^(c)	52,811
Trade and other receivables ^(d)	63,342
Cash and bank balances ^(e)	19,997
Current tax assets	2,506
	138,656
TOTAL ASSETS	185,633
EQUITY AND LIABILITIES	
Equity attributable to owners of the parent	
Share capital	60,000
Reserves	61,634
NA	121,634
Non-controlling interests	3,282
TOTAL EQUITY	124,916
Non-current liabilities	
Deferred tax liabilities	3,933
Borrowings ^(f)	1,876
	5,809
Current liabilities	
Trade and other payables ^(g)	30,002
Borrowings ^(f)	24,695
Current tax liabilities	211
	54,908
TOTAL LIABILITIES	60,717
TOTAL EQUITY AND LIABILITIES	185,633
Net asset per share (RM)	1.01

Notes:

- (a) *Included in property, plant and equipment are freehold land and buildings, plant and machineries, other equipment and electronic installation and motor vehicles.*
- (b) *Prepaid lease payments relate to lease payment for 5 parcel of land located in Senai, Johor Darul Takzim.*
- (c) *Inventories comprise raw materials, work-in-progress and finished goods stated at the lower of cost and net realisable value.*
- (d) *Other receivables comprise prepayment for purchase of machines, balance amount receivable for the disposal of a subsidiary, staff loan, prepayment for insurance, prepayments made to overseas supplier and goods and service tax receivables.*
- (e) *Cash and bank balances consist of bank balances and deposits with licensed banks.*
- (f) *Borrowings comprise hire purchase creditors, short term borrowing and revolving credit.*
- (g) *Other payables comprise accruals, contribution to Employees Provident Fund and Social Security Organisation, goods and service tax payables and other non-trade payables such as forklift rental and transportation charges.*

Apart from the property, plant and equipment, approximately 74.69% of CBB's total assets comprise liquid assets such as inventories, trade and other receivables and cash and bank balances which are reasonably expected to approximate their fair values. We also note that the carrying amount of property, plant and equipment is assessed for impairment at the end of each financial year. Based on our discussion with the management of CBB, they are not aware of any likelihood for impairment in respect of any property, plant and equipment of CBB as at the LPD.

No valuation has been conducted on the freehold land and buildings of CBB Group. Nevertheless, in the event that a valuation is conducted on the freehold land and buildings, any surplus arising from the valuation may further increase the fair value of the Group.

Based on the NA of the Group, the fair value per CBB Share is RM1.01. The SCR Offer Price represents a premium of RM0.74 or equivalent to 73.27% over the NA per CBB Share of RM1.01.

Premised on the assessment of the SCR Offer Price as set out in Section 6.1 above, we are of the opinion that the Proposed SCR is FAIR in view that the SCR Offer Price is above the NA per CBB Share.

7. REASONABLENESS OF THE PROPOSED SCR

7.1 An opportunity for Entitled Shareholders to realise their investment

We have considered the rationale for the Proposed SCR as set out in Section 5, Part A of this Document.

We noted that the Proposed SCR is made to provide an opportunity for the Entitled Shareholders to realise and monetise their investment in the Company at a premium of 73.27% over the audited consolidated NA per share of CBB as at 31 December 2018 of RM1.01. The Entitled Shareholders may not otherwise have the opportunity to realise and monetise their investment at a premium as there is no active market for the unlisted CBB Shares since CBB was delisted and withdrawn from the Official List on 18 January 2017. It should also be noted that the SCR Offer Price is equivalent to the offer price of RM1.75 per CBB Share pursuant to the Takeover Offer in 2016.

In addition, CBB has not received any alternative offer for the CBB Shares or any other offer to acquire its assets and liabilities. In view that the Non-Entitled Shareholder currently hold a controlling stake of 98.98% equity stake in CBB, any such other offer may not be successful unless with the support of the Non-Entitled Shareholder.

Premised on the assessment of the reasonableness of the Proposed SCR as set out in Section 7 above, we are of the view that the Proposed SCR is REASONABLE.

8. FUTURE PLANS FOR THE CBB GROUP AND ITS EMPLOYEES

In evaluating the Proposed SCR, we have considered the intentions of the Non-Entitled Shareholder as set out in Section 6, Part A of this Document as follows:

(i) Continuation of the CBB Group's business

The Non-Entitled Shareholder intends to continue with the existing businesses of the CBB Group and does not have any plan or intention to liquidate CBB in the foreseeable future.

(ii) Major changes to the CBB Group's business

The Non-Entitled Shareholder has no immediate plan or intention to introduce or effect any major changes to the business of the CBB Group or to dispose or re-deploy the fixed assets of the CBB Group. The Non-Entitled Shareholder may rationalise or restructure the business and operations of the CBB Group including implementing changes to its shareholding, corporate and capital structure, expansion of certain businesses, acquisitions, disposal and/or deployment of assets and/or operational changes with the CBB Group if the need arises. Furthermore, the Non-Entitled Shareholder may also from time to time review strategic options with regards to the businesses of the CBB Group. As at the LPD, there has been no final decision made on these strategic options.

CBB is continuously exploring opportunities to expand its existing businesses. Currently, CBB is engaged in discussions to acquire a stake in a company in which its business is similar in nature to CBB's existing businesses. The size of the target company in terms of the turnover is not expected to exceed 20% of the total turnover of the CBB Group for financial year 2018 and the profit after tax of the target company is not expected to exceed 45% of the total profit after tax of the CBB Group for the financial year 2018. Notwithstanding the ongoing discussions, there is no certainty that the potential acquisition will materialise.

(iii) Employees of the CBB Group

The Non-Entitled Shareholder has no plan to dismiss or make redundant the employees of the CBB Group as a direct consequence of the Proposed SCR, which includes the existing management team of CBB who will continue to manage the day-to-day operations of CBB. Nevertheless, there may be measures to further improve the efficiency of operations and constructive measures will be undertaken from time to time to optimise the CBB Group's staff productivity.

We noted that the Non-Entitled Shareholder does not intend to undertake any material changes to the existing business of CBB or to undertake any employee redundancy scheme, unless such changes are necessary to rationalise and restructure the business activities and to further improve efficiency of the operations of the Group.

9. FURTHER INFORMATION

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

10. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed SCR in accordance with Paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby the term “fair and reasonable” should generally be analysed as 2 distinct criteria, i.e. whether the Proposed SCR is “fair” and whether the Proposed SCR is “reasonable”, rather than as a composite term and have set out our evaluation in Sections 5, 6 and 7 of the IAL.

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

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

Generally, the Proposed SCR would be considered “reasonable” if it is “fair”. Notwithstanding that, the Entitled Shareholders should take into careful consideration the merits and demerits of the Proposed SCR based on all relevant and pertinent factors including those set out below and other considerations as set out in the IAL and Part A of this Document.

In arriving at our opinion, we have taken into consideration various relevant and pertinent factors as set out below:

Fairness of the Proposed SCR

Based on our analysis set out in Section 6 of this IAL, we are of the opinion that the Proposed SCR is **FAIR** in view of the following:

(a)	Valuation of CBB Shares	<ul style="list-style-type: none">▪ The SCR Offer Price of RM1.75 is above the NA per CBB Share and represents a premium of RM0.74 or equivalent to 73.27% over the NA per CBB Share.
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Reasonableness of the Proposed SCR

Based on our analysis set out in Section 7 of this IAL, we are of the opinion that the Proposed SCR is **REASONABLE** after taking into consideration the following:

(a)	An opportunity for Entitled Shareholders to realise their investment	<ul style="list-style-type: none">▪ The Proposed SCR is made to provide an opportunity for the Entitled Shareholders to realise and monetise their investment in the Company at a premium of 73.27% over the audited consolidated NA per share of CBB as at 31 December 2018 of RM1.01.▪ There is no active market for the unlisted CBB Shares.▪ The SCR Offer Price is equivalent to the offer price of RM1.75 per CBB Share pursuant to the Takeover Offer in 2016.▪ In addition, CBB has not received any alternative offer for the CBB Shares or any other offer to acquire its assets and liabilities.
-----	--	--

Based on the above and our evaluation, we are of the opinion that the Proposed SCR is **FAIR** and **REASONABLE**. Accordingly, we advise and recommend that the Entitled Shareholders **VOTE IN FAVOUR** of the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM.

We have not taken into consideration any specific investment objective, financial situation or particular need of any individual Entitled Shareholder. We recommend that any Entitled Shareholder who requires advice in relation to the Proposed SCR in the context of their individual investment objectives, financial situation or particular needs, consult their respective stockbroker, bank manager, accountant, solicitor or other professional advisers.

Yours truly
for and on behalf of
PUBLIC INVESTMENT BANK BERHAD

Lee Yo-Hunn
Chief Executive Officer

Tan Heng Chee
Head
Corporate Finance & Advisory

ADDITIONAL INFORMATION

1. DIRECTOR'S RESPONSIBILITY STATEMENT

This IAL has been seen and approved by the Board of CBB and they individually and collectively accept full responsibility for the accuracy and completeness of the information contained herein. The Board of CBB confirms the following after making all reasonable enquiries and to the best of their knowledge and belief:

- (i) no statement and/or information relating to the CBB Group in this IAL is false or misleading or incomplete;
- (ii) there are no other facts and/or information, the omission of which would render any statement or information provided relating to the CBB Group herein false or misleading or incomplete; and
- (iii) all material facts and/or information in relation to the Proposed SCR, including those required under the Rules, have been accurately and completely disclosed in this IAL.

Further, the responsibility of the Board of CBB in respect of:

- (i) the information relating to the Non-Entitled Shareholder and the Proposed SCR (as extracted from Part A of this Document and the appendices attached thereto) is to ensure that such information is accurately reproduced in this IAL; and
- (ii) the independent advice and expression of opinion by PIVB in relation to the Proposed SCR as set out in the IAL, is to ensure that accurate information in relation to the CBB Group was provided to PIVB for its evaluation of the Proposed SCR and that all information in relation to the CBB Group that is relevant to PIVB's evaluation of the Proposed SCR has been accurately and completely disclosed to PIVB and that there is no material fact, the omission of which would make any information provided to PIVB false or misleading.

2. DISCLOSURES OF INTEREST AND DEALINGS IN SHARES**2.1 By CBB****2.1.1 Disclosure of interests in the Non-Entitled Shareholder, persons acting in concert and Perangsang Selangor**

CBB does not have any interest, directly or indirectly, in any voting shares and/or convertible securities of the Non-Entitled Shareholder, persons acting in concert and Perangsang Selangor as at the LPD.

2.1.2 Disclosure of dealings in voting shares or convertible securities of the Non-Entitled Shareholder, persons acting in concert and Perangsang Selangor

CBB has not dealt, directly or indirectly, in any voting shares and/or convertible securities of the Non-Entitled Shareholder, persons acting in concert and Perangsang Selangor during the period beginning 6 months prior to the date of the SCR Offer Letter and ending on the LPD.

2.1.3 Disclosure of dealings in CBB Shares

CBB has not dealt, directly or indirectly, in any of its voting shares during the period beginning 6 months prior to the date of the SCR Offer Letter and ending on the LPD.

ADDITIONAL INFORMATION (Cont'd)

2.2 By the Directors of CBB**2.2.1 Disclosure of interests in Non-Entitled Shareholder, persons acting in concert and Perangsang Selangor**

Save as disclosed below, the directors of CBB do not have any interest, directly or indirectly, in any voting shares and/or convertible securities of the Non-Entitled Shareholder, persons acting in concert and Perangsang Selangor as at the LPD:

Perangsang Selangor

	Direct		Indirect	
	No. of shares	% ^(a)	No. of shares	% ^(a)
Dato' Kamarul Baharin bin Abbas	5	#	-	-

Notes:

Negligible.

(a) Computed based on 537,385,383 ordinary shares in Perangsang Selangor as at the LPD.

2.2.2 Disclosure of dealings in voting shares or convertible securities of the Non-Entitled Shareholder, persons acting in concert and Perangsang Selangor

None of the directors of CBB has dealt in any voting shares and/or convertible securities in the Non-Entitled Shareholder, persons acting in concert and Perangsang Selangor during the period beginning 6 months prior to the date of the SCR Offer Letter and ending on the LPD.

2.2.3 Disclosure of interests in CBB

The directors of CBB do not have any interest, directly or indirectly, in any voting shares of CBB as at the LPD.

2.2.4 Disclosure of dealings in CBB Shares

None of the directors of CBB has dealt, directly or indirectly, in any voting shares of CBB during the period beginning 6 months prior to the date of the SCR Offer Letter and ending on the LPD.

2.3 By the persons with whom CBB or any persons acting in concert with it has any arrangement

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

2.4 By the persons with whom CBB or any persons acting in concert with it has borrowed or lent

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

ADDITIONAL INFORMATION (Cont'd)

2.5 By PIVB and funds whose investments are managed by PIVB on a discretionary basis (“Discretionary Funds”)**(i) Disclosure of interests in CBB**

PIVB and its Discretionary Funds do not have any interest, whether direct or indirect, in any voting shares of CBB as at the LPD.

(ii) Dealing in the securities of CBB

PIVB and its Discretionary Funds have not dealt, directly or indirectly, in any voting shares of CBB during the period beginning 6 months prior to the date of the SCR Offer Letter and ending on the LPD.

3. SERVICE CONTRACTS

As at the LPD, the CBB Group does not have any service contracts with any of its directors or proposed directors, which have been entered into or amended within 6 months before the date of the SCR Offer Letter, or which are fixed term contracts with more than 12 months to run.

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

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SCR OFFER LETTER

PERANGSANG PACKAGING SDN BHD (1190574-X)

17th Floor, Plaza Perangsang, Persiaran Perbandaran, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia.
 Peti Surat 7139, 40923 Shah Alam, Selangor Darul Ehsan
 Tel: (603)-5510 3999 Fax: (603)- 55197493, (603)-55109977

16 April 2019

Board of Directors
CENTURY BOND BHD.
 Suites 5.11 & 5.12
 5th Floor, Menara TJB
 9, Jalan Syed Mohd Mufti
 80000 Johor Bahru
 Johor Darul Takzim



Dear Sirs,

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE TO BE UNDERTAKEN BY CENTURY BOND BHD. ("CBB") UNDER SECTION 116 OF THE COMPANIES ACT, 2016 ("ACT") ("PROPOSED SCR")

1. INTRODUCTION

- 1.1 We, Perangsang Packaging Sdn. Bhd. ("**PPSB**"), in our capacity as the controlling shareholder of CBB, are writing to request CBB to undertake a selective capital reduction and repayment exercise under Section 116 of the Act which will result in PPSB holding the entire share capital of CBB upon completion of the Proposed SCR.
- 1.2 As at 1 April 2019, being the latest practicable date ("**LPD**"), the issued share capital of CBB is RM60,000,000.00 comprising 120,000,000 ordinary shares ("**CBB Shares**"). PPSB holds 118,771,566 CBB Shares, representing approximately 98.98% of the share capital of CBB. As at the LPD, there are no parties acting in concert with PPSB who holds shares in CBB.

2. DETAILS OF THE PROPOSED SCR

- 2.1 The Proposed SCR involves CBB undertaking a selective capital reduction and a corresponding capital repayment exercise pursuant to Section 116 of the Act in respect of the CBB Shares held by all the shareholders of CBB (other than PPSB), whose names appear in the Record of Depositors of CBB as at the close of business on an entitlement date to be determined and disclosed later by the board of directors of CBB ("**Board**") ("**Entitlement Date**") ("**Entitled Shareholders**").
- 2.2 As at the LPD, the Entitled Shareholders hold 1,228,434 CBB Shares, representing approximately 1.02% of the share capital of CBB.
- 2.3 Pursuant to the Proposed SCR, the Entitled Shareholders will receive a total capital repayment of RM2,149,759.50, which represents a cash repayment of RM1.75 for each CBB Share ("**SCR Offer Price**") held by the Entitled Shareholders on the Entitlement Date. For avoidance of doubt, PPSB will not be entitled to the repayment of capital pursuant to the Proposed SCR.
- 2.4 Upon successful completion of the Proposed SCR, the share capital of CBB will be reduced by RM2,149,759.50, by way of cancellation of 1,228,434 CBB Shares held by the Entitled Shareholders.
- 2.5 PPSB will still hold the remaining 118,771,566 CBB Shares, which are not cancelled pursuant to the Proposed SCR. The said 118,771,566 CBB Shares will amount to the entire issued share capital of CBB, which would result in CBB being a wholly-owned subsidiary of PPSB.

SCR OFFER LETTER (cont'd)

2.6 The SCR Offer Price was arrived at after taking into consideration, among others, the following:

- (i) offer price of RM1.75 per CBB Share made pursuant to the unconditional take-over offer by PPSB vide the offer document dated 21 November 2016 to acquire all the CBB Shares not held by PPSB then, which closed on 27 December 2016 ("**CBB Offer**");
- (ii) price-to-earnings ratio of approximately 22.10 times based on the audited consolidated net profit of RM9,503,789.00 (attributable to the owners of CBB) for CBB and its subsidiary companies for the financial year end ("**FYE**") 31 December 2018; and
- (iii) price-to-book ratio of approximately 1.73 times based on the audited consolidated net assets of RM121,633,845.00 for the FYE 31 December 2018.

If CBB declares, makes and/or pays a dividend or other distribution of any nature whatsoever ("**Distribution**") during the period from the date of the Proposed SCR offer up to the date of the completion of the Proposed SCR, the Offer Price shall be reduced by an amount equivalent to the net Distribution made per CBB Share.

2.7 The shareholding of the Non-Entitled Shareholder in CBB based on the Record of Depositors of CBB as at LPD is set out below:

Name	Direct		Indirect	
	No. of CBB Shares	%	No. of CBB Shares	%
PPSB	118,771,566	98.98	-	-
Kumpulan Perangsang Selangor Berhad (" Perangsang Selangor ")	-	-	⁽¹⁾ 118,771,566	98.98
Kumpulan Darul Ehsan Berhad	-	-	⁽²⁾ 118,771,566	98.98
Menteri Besar Selangor (Incorporated)	-	-	⁽³⁾ 118,771,566	98.98

Notes:

- (1) Deemed interest by virtue of its interest in PPSB pursuant to Section 8 of the Act.
- (2) Deemed interest by virtue of its interest in Perangsang Selangor pursuant to Section 8 of the Act.
- (3) Deemed interest by virtue of its interest in Kumpulan Darul Ehsan Berhad pursuant to Section 8 of the Act.

2.8 The Proposed SCR will be funded through the internal funds of CBB.

3. RATIONALE FOR THE PROPOSED SCR

Subsequent to the CBB Offer, CBB was delisted and withdrawn from the Official List of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 18 January 2017. Hence, CBB Shares are no longer being traded on the Main Market of Bursa Securities. Accordingly, the minority shareholders of CBB do not have any readily available avenue to monetise their investments in CBB. As such, the Proposed SCR provides an opportunity for the Entitled Shareholders to realise their investments, rather than continue to hold the unlisted CBB Shares.

SCR OFFER LETTER (cont'd)

4. CONDITIONS TO THE PROPOSED SCR

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

- (i) notification from the Securities Commission Malaysia that it has no further comments on the circular and the independent advice letter to be issued to the shareholders of CBB;
- (ii) approval from the Entitled Shareholders via a special resolution at an extraordinary general meeting ("EGM") to be convened which is required to be approved by at least a majority in number of the Entitled Shareholders and 75.00% in value of all CBB Shares held by the Entitled Shareholders that are cast either in person or by proxy at the EGM, and the value of the votes cast against the Proposed SCR must not be more than 10.00% of the votes attaching to all CBB Shares held by the Entitled Shareholders;
- (iii) granting of an order by the High Court of Malaya approving the reduction of the share capital of CBB pursuant to Section 116 of the Act ("**Order**");
- (iv) consent from relevant creditors/lenders of CBB, if required; and
- (v) consent from any other regulatory authorities and/or third parties, if required.

4.2 The Proposed SCR will become effective upon the lodgment of an office copy of the Order with the Companies Commission of Malaysia pursuant to Section 116 of the Act.

5. OTHER MATTERS

In view that the Proposed SCR is at our request, we wish to confirm the following:

- (i) the nominated directors of Perangsang Selangor and PPSB in CBB are deemed interested in the Proposed SCR ("**Interested Directors**"). As such, the Interested Directors will abstain from all deliberations and voting at the relevant Board meetings of CBB in respect of the Proposed SCR, and together with persons connected with them, if any, abstain from voting in respect of his direct and/or indirect shareholdings, if any, in CBB on the resolution pertaining to the Proposed SCR to be tabled at the EGM; and
- (ii) PPSB is interested in the Proposed SCR. As such, PPSB, together with persons connected with it, if any, will abstain from voting in respect of its direct and/or indirect shareholding, if any, in CBB on the resolution pertaining to the Proposed SCR to be tabled at the EGM.

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

Yours sincerely,
PERANGSANG PACKAGING SDN. BHD.


Ahmad Fariz bin Hassan
Director

SCR OFFER LETTER (cont'd)

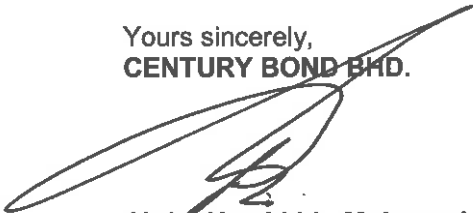
TO: PERANGSANG PACKAGING SDN. BHD.

CENTURY BOND BHD. ("CBB")

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE TO BE UNDERTAKEN BY CBB UNDER SECTION 116 OF THE COMPANIES ACT, 2016 ("PROPOSED SCR")

We, the Directors of **Century Bond Bhd.** (save for the Interested Directors), hereby agree to undertake the Proposed SCR pursuant to the terms of your letter as set out above.

Yours sincerely,
CENTURY BOND BHD.



Abdul Hamid bin Mohamed Ghows
Independent Director

INFORMATION ON CBB

1. HISTORY AND BUSINESS

CBB was incorporated in Malaysia on 11 November 1991 under the Act as a private limited company and was subsequently converted into a public limited company on 11 August 2000. CBB was listed in the Second Board of Bursa Securities in 2003 and subsequently transferred to the Main Market of Bursa Securities in 2005.

On 31 October 2016, PPSB had extended the Takeover Offer on CBB following the share sale agreement for the acquisition of 71.44% equity interest in CBB became unconditional. Following the close of the Takeover Offer on 27 December 2016, PPSB's equity interest in CBB was at approximately 93.10% and hence, the trading of CBB Shares was suspended on 5 January 2017. On 5 January 2017, PPSB also issued a notice pursuant to Section 223 of the CMSA to the shareholders of CBB who have not accepted the Takeover Offer, informing them of their rights to dispose their CBB Shares to PPSB based on the same terms as the Takeover Offer. Following the notice pursuant to Section 223 of the CMSA, PPSB held approximately 98.98% equity interest in CBB on 28 March 2017.

Subsequent to the Takeover Offer, CBB was delisted and withdrawn from the Official List of Bursa Securities on 18 January 2017 and hence, CBB Shares are no longer being traded on the Main Market of Bursa Securities.

CBB is an investment holding company and provides management services. Through its subsidiary companies, the CBB Group manufactures paper and bulk bags, carton boxes, protective plastic packaging and household care products.

2. SHARE CAPITAL

2.1 Issued share capital

The issued share capital of CBB as at the LPD are as follows:

	<u>No. of CBB Shares</u>	<u>Total RM</u>
Ordinary shares	120,000,000	60,000,000.00

2.2 Changes in the issued share capital

Since the end of FYE 31 December 2018 up to the LPD, there are no changes in CBB's issued share capital.

2.3 Convertible securities

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

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of CBB and their respective shareholding in CBB as at the LPD are as follows:

Shareholder	Country of incorporation	Direct		Indirect	
		No. of CBB Shares	%	No. of CBB Shares	%
PPSB	Malaysia	118,771,566	98.98		
Perangsang Selangor	Malaysia	-	-	(1)118,771,566	(1)98.98
KDEB	Malaysia	-	-	(2)118,771,566	(2)98.98
MBI	Malaysia	-	-	(3)118,771,566	(3)98.98

INFORMATION ON CBB (cont'd)
Notes:

- (1) Deemed interested by virtue of its interest in PPSB pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its interest in Perangsang Selangor pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its interest in KDEB pursuant to Section 8 of the Act.

4. DIRECTORS
4.1 The particulars of the directors of CBB as at the LPD are as follows:

Name	Designation	Nationality	Address
Dato' Kamarul Baharin Bin Abbas	Director	Malaysian	No. 27, Jalan SS7/2 Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan Malaysia
Dato' Ikmal Hijaz Bin Hashim	Director	Malaysian	No. 15, Jalan Teratak U8/95C Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan Malaysia
Koay Li Onn (Leon)	Director	Malaysian	No. 201, Persiaran Zaaba Taman Tun Dr Ismail 60000 Kuala Lumpur Malaysia
Ahmad Fariz Bin Hassan	Director	Malaysian	No. 8, Jalan 13/11J Laman Sanur, Seksyen 13 40100 Shah Alam Selangor Darul Ehsan Malaysia
Azlan Bin Abdul Jalil	Director	Malaysian	1037, Jalan Damansara Taman Tun Dr Ismail 60000 Kuala Lumpur Malaysia
Abdul Hamid Bin Mohamed Ghows	Independent Director	Malaysian	14 Jalan SS 19/4B 47500 Subang Jaya Selangor Darul Ehsan Malaysia

4.2 The directors of CBB and their respective shareholding in CBB as at the LPD, are as follows:

Name	Direct		Indirect	
	No. of CBB Shares	%	No. of CBB Shares	%
Dato' Kamarul Baharin Bin Abbas	-	-	-	-
Dato' Ikmal Hijaz Bin Hashim	-	-	-	-
Koay Li Onn (Leon)	-	-	-	-
Ahmad Fariz Bin Hassan	-	-	-	-
Azlan Bin Abdul Jalil	-	-	-	-
Abdul Hamid Bin Mohamed Ghows	-	-	-	-

INFORMATION ON CBB (cont'd)

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES
5.1 Subsidiary companies

The subsidiary companies of CBB as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
1.	Eversynergy Sdn. Bhd.	27 January 1995 Malaysia	100.00	Property holdings
2.	Multiview Enterprises Sdn Bhd	17 October 1984 Malaysia	100.00	Sale and marketing of industrial packaging tapes, materials and machinery and household care products
3.	Prestige Packages Sdn. Bhd.	16 February 1993 Malaysia	100.00	Manufacturer and sale of multi-wall paper bags, woven laminated bags and pulp moulded products
4.	Cenbond Packages Sdn. Bhd.	3 February 1994 Malaysia	100.00	Manufacturing and sale of plastic moulded products, packaging products and paper products
5.	Pro Pulp Packages Sdn. Bhd.	8 September 2003 Malaysia	100.00	Manufacture and sales of pulp moulded products
6.	CB Bags Sdn. Bhd. *	8 September 2003 Malaysia	100.00	Investment holding
7.	Polyplus Packages Sdn. Bhd.	28 January 1992 Malaysia	100.00	Manufacture and sales of corrugated carton boxes
8.	Polyplus Packages (JB) Sdn. Bhd.	8 April 2014 Malaysia	100.00	Manufacturing and sales of corrugated carton boxes

INFORMATION ON CBB (cont'd)

The subsidiary companies of Prestige Packages Sdn. Bhd. as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
9.	Centoz Industries Sdn. Bhd.	28 September 1994 Malaysia	80.00	Manufacture and sale of paper products
10.	Brandpak Industries Sdn. Bhd.	16 March 1995 Malaysia	100.00	Manufacture and marketing of stretch films, plastic bags and liners
11.	PT Prestige Packages Indonesia	8 August 2007 Indonesia	100.0	Manufacture and sale of cement paper bags
12.	Esteem Packaging Pte Ltd	26 July 2007 Singapore	80.00	Trading in paper and plastic packaging products

The subsidiary companies of Multiview Enterprises Sdn Bhd as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
13.	Multiview Packaging Sdn. Bhd.	2 November 1992 Malaysia	100.00	Manufacture and trading in industrial packaging tapes and related products
14.	Prior Packaging Industries Sdn. Bhd.*	26 March 1988 Malaysia	100.00	Dormant
15.	Multiview (S) Pte Ltd	16 March 1992 Singapore	100.00	Sales and marketing of household care products and packaging materials
16.	Ready Chemical (M) Sdn Bhd*	28 July 1984 Malaysia	80.00	Dormant
17.	Macro Chemicals Sdn. Bhd.	27 March 1997 Malaysia	100.00	Contract manufacturing of adhesive products and household care products

INFORMATION ON CBB (cont'd)

The subsidiary company of Pro Pulp Packages Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
18.	Hongda Century Packing & Printing Sdn. Bhd. (formerly known as Imej Harmoni Sdn Bhd)	20 March 1997 Malaysia	60.00	Offset printing for corrugated carton boxes and packaging

The subsidiary company of CB Bags Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
19.	Prestige Packages (Perlis) Sdn. Bhd. *	8 September 2003 Malaysia	100.00	Manufacture and sale of cement paper bags

Note:

* Under the process of Members' Voluntarily Winding-Up.

5.2 Associated companies

At as the LPD, CBB does not have any associated company.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of CBB based on its audited consolidated financial statements for the 9-months FPE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018 are as follows:

	Audited 9-months FPE 31 December 2016⁽¹⁾	Audited FYE 31 December 2017	Audited FYE 31 December 2018
	RM	RM	RM
Revenue	113,661,584	174,064,535	189,880,834
Profit before tax	15,322,160	10,502,985	14,544,640
Tax expense	(4,001,700)	(3,732,715)	(4,441,005)
Profit for the period	11,320,460	6,770,270	10,103,635
Profit attributable to:			
Owners of the parent	11,052,624	6,666,977	9,503,789
Non-controlling interests	267,836	103,293	599,846
No. of CBB Shares in issue	120,000,000	120,000,000	120,000,000
Weighted average no. of CBB Shares	120,000,000	120,000,000	120,000,000
Net dividend per CBB Share (sen)	3.00	47.40	9.17
Basic earnings per CBB Share (sen) ⁽²⁾	9.43	5.64	8.42

INFORMATION ON CBB (cont'd)

Notes:

- (1) CBB changed its FYE from 31 March to 31 December to be co-terminous with its holding company, PPSB.
- (2) Based on weighted average number of CBB Shares.

There are no exceptional items in the audited consolidated financial statements of CBB for the 9-months FPE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018.

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of CBB based on its audited consolidated statement of financial position as at 31 December 2017 and 31 December 2018 are as follows:

	Audited FYE 31 December 2017	Audited FYE 31 December 2018
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	41,455,359	44,191,576
Prepaid lease payments	2,784,457	2,688,988
Investments in subsidiaries	-	-
Finance lease receivable	201,174	-
Deferred tax assets	106,249	96,913
	<u>44,547,239</u>	<u>46,977,477</u>
Current assets		
Finance lease receivable	20,327	-
Inventories	46,961,184	52,811,007
Trade and other receivables	55,412,945	63,342,280
Cash and cash balances	18,571,447	19,997,198
Current tax assets	700	2,505,476
	<u>120,966,603</u>	<u>138,655,961</u>
TOTAL ASSETS	<u>165,513,842</u>	<u>185,633,438</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	3,310,068	3,933,081
Borrowings	201,174	1,876,640
	<u>3,511,242</u>	<u>5,809,721</u>

INFORMATION ON CBB (cont'd)

	Audited FYE 31 December 2017	Audited FYE 31 December 2018
	RM	RM
Current liabilities		
Trade and other payables	36,619,244	30,002,180
Borrowings	20,326	24,695,280
Current tax liabilities	612,460	210,384
	<u>37,252,030</u>	<u>54,907,844</u>
TOTAL LIABILITIES	<u>40,763,272</u>	<u>60,717,565</u>
EQUITY		
Share capital	60,000,000	60,000,000
Reserves	62,699,246	61,633,845
	<u>122,699,246</u>	<u>121,633,845</u>
Non-controlling interests	2,051,324	3,282,028
TOTAL EQUITY	<u>124,750,570</u>	<u>124,915,873</u>
TOTAL LIABILITY & EQUITY	<u>165,513,842</u>	<u>185,633,438</u>

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the LPD, there is no material change in the financial position of CBB subsequent to 31 December 2018, being the date of its latest audited consolidated financial statements.

9. ACCOUNTING POLICIES

Based on the audited consolidated financial statements of CBB for the 9-months FPE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018, the financial statements have been prepared in accordance with the MFRS, the IFRS and the requirements of the Act. There was no audit qualification for CBB's financial statements for the 9-months FPE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018.

There is no change in the accounting policies which would result in a material variation to the comparable figures for the audited consolidated financial statements of CBB for the 9-months FPE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018.

INFORMATION ON PPSB

1. HISTORY AND PRINCIPAL ACTIVITIES

PPSB was incorporated in Malaysia on 7 June 2016 under the Act as a private limited company. The principal activity of PPSB is investment holding.

2. SHARE CAPITAL

The issued share capital of PPSB as at the LPD are as follows:

	<u>No. of PPSB shares</u>	<u>Total RM</u>
Issued share capital comprise the following:		
Ordinary shares	1,000,002	1,000,002.00
RCPS	208,212,000	208,212,000.00
Total	<u>209,212,002</u>	<u>209,212,002.00</u>

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of PPSB and their respective shareholding in PPSB as at the LPD are as follows:

Shareholder	Country of incorporation	Direct		Indirect	
		No. of PPSB shares	%	No. of PPSB shares	%
Perangsong Selangor	Malaysia	209,212,002	100.00	-	-
KDEB	Malaysia	-	-	⁽¹⁾ 209,212,002	⁽¹⁾ 100.00
MBI	Malaysia	-	-	⁽²⁾ 209,212,002	⁽²⁾ 100.00

Notes:

(1) Deemed interested by virtue of its interest in Perangsong Selangor pursuant to Section 8 of the Act.

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

4. DIRECTORS

The directors of PPSB and their respective shareholding in PPSB as at the LPD, are as follows:

Name	Nationality	Direct		Indirect	
		No. of PPSB shares	%	No. of PPSB shares	%
Dato' Kamarul Baharin Bin Abbas	Malaysian	-	-	-	-
Ahmad Fariz Bin Hassan	Malaysian	-	-	-	-

INFORMATION ON PPSB (cont'd)
5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES
5.1 Subsidiary companies

The subsidiary company of PPSB as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
1.	CBB	11 November 1991 Malaysia	98.98	Investment holding company and provision of management services

The subsidiary companies of CBB as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
2.	Eversynergy Sdn. Bhd.	27 January 1995 Malaysia	98.98	Property holdings
3.	Multiview Enterprises Sdn Bhd	17 October 1984 Malaysia	98.98	Sale and marketing of industrial packaging tapes, materials and machinery and household care products
4.	Prestige Packages Sdn. Bhd.	16 February 1993 Malaysia	98.98	Manufacturer and sale of multi-wall paper bags, woven laminated bags and pulp moulded products
5.	Cenbond Packages Sdn. Bhd.	3 February 1994 Malaysia	98.98	Manufacturing and sale of plastic moulded products, packaging products and paper products
6.	Pro Pulp Packages Sdn. Bhd.	8 September 2003 Malaysia	98.98	Manufacture and sales of pulp moulded products
7.	CB Bags Sdn. Bhd.*	8 September 2003 Malaysia	98.98	Investment holding
8.	Polyplus Packages Sdn. Bhd.	28 January 1992 Malaysia	98.98	Manufacture and sales of corrugated carton boxes
9.	Polyplus Packages (JB) Sdn. Bhd.	8 April 2014 Malaysia	98.98	Manufacturing and sales of corrugated carton boxes

INFORMATION ON PPSB (cont'd)

The subsidiary companies of Prestige Packages Sdn Bhd as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
10.	Centoz Industries Sdn. Bhd.	28 September 1994 Malaysia	79.18	Manufacture and sale of paper products
11.	Brandpak Industries Sdn. Bhd.	16 March 1995 Malaysia	98.98	Manufacture and marketing of stretch films, plastic bags and liners
12.	PT Prestige Packages Indonesia	8 August 2007 Indonesia	98.98	Manufacture and sale of cement paper bags
13.	Esteem Packaging Pte Ltd	26 July 2007 Singapore	79.18	Trading in paper and plastic packaging products

The subsidiary companies of Multiview Enterprises Sdn Bhd as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
14.	Multiview Packaging Sdn. Bhd.	2 November 1992 Malaysia	98.98	Manufacture and trading in industrial packaging tapes and related products
15.	Prior Packaging Industries Sdn. Bhd.*	26 March 1988 Malaysia	98.98	Dormant
16.	Multiview (S) Pte Ltd	16 March 1992 Singapore	98.98	Sales and marketing of household care products and packaging materials
17.	Ready Chemical (M) Sdn Bhd*	28 July 1984 Malaysia	79.18	Dormant
18.	Macro Chemicals Sdn. Bhd.	27 March 1997 Malaysia	98.98	Contract manufacturing of adhesive products and household care products

The subsidiary company of Pro Pulp Packages Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
19.	Hongda Century Packing & Printing Sdn. Bhd. (formerly known as Imej Harmoni Sdn Bhd)	20 March 1997 Malaysia	59.39	Offset printing for corrugated carton boxes and packaging

INFORMATION ON PPSB (cont'd)

The subsidiary company of CB Bags Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
20.	Prestige Packages (Perlis) Sdn. Bhd.*	8 September 2003 Malaysia	98.98	Manufacture and sale of cement paper bags

Note:

* Under the process of Members' Voluntarily Winding-Up.

5.2 Associated companies

At as the LPD, PPSB does not have any associated company.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of PPSB based on its audited financial statements since PPSB's incorporation date is as follows:

	Audited FPE 7 June 2016 to 31 December 2016	Audited FYE 31 December 2017	Audited FYE 31 December 2018
	RM	RM	RM
Revenue	-	56,297,873	10,891,353
Profit / (Loss) before tax	(5,100,497)	45,595,734	1,003,618
Tax expense	-	(30,705)	(336)
Profit / (Loss) for the period	(5,100,497)	45,565,029	1,003,282
No. of PPSB shares in issue	2	44,212,002	44,212,002
Weighted average no. of PPSB shares	2	44,212,002	44,212,002
Net dividend per PPSB Share (RM)	-	29.56	-
Basic earnings / (loss) per PPSB Share (RM) ⁽¹⁾	(2,550,249)	1.03	0.02

Note:

(1) Based on weighted average number of PPSB shares.

There are no exceptional items in the audited financial statements of PPSB since PPSB's incorporation date.

Pursuant to Section 250(2) of the Act and paragraph 4(a) of the MFRS 10 *Consolidated Financial Statements*, the consolidated financial statements are not presented as PPSB is a wholly-owned subsidiary of Perangsang Selangor, a company incorporated in Malaysia and listed on the Main Market of Bursa Securities, of which publishes consolidated financial statements that comply with the MFRS, the IFRS and the provisions of the Act.

INFORMATION ON PPSB (cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of PPSB based on its audited statement of financial position as at 31 December 2017 and 31 December 2018 are as follows:

	Audited FYE 31 December 2017	Audited FYE 31 December 2018
	RM	RM
ASSETS		
Non-current assets		
Investment in subsidiaries	207,926,670	207,926,670
Current assets		
Cash and bank balances	16,374,014	13,167,538
TOTAL ASSETS	224,300,684	221,094,208
LIABILITIES		
Non-current liabilities		
Loans and borrowings	125,759,000	83,259,000
Current liabilities		
Trade and other payables	929,443	39,399,685
Loans and borrowings	42,500,000	42,500,000
TOTAL LIABILITIES	169,188,443	165,158,685
EQUITY		
Share capital	1,000,002	1,000,002
RCPS	43,212,000	43,212,000
Retained earnings	10,900,239	11,903,521
TOTAL EQUITY	55,112,241	56,115,523
TOTAL LIABILITY & EQUITY	224,300,684	221,274,208

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the LPD, there is no material change in the financial position of PPSB subsequent to 31 December 2018, being the date of its latest audited financial statements.

9. ACCOUNTING POLICIES

Based on the audited financial statements of PPSB for the FPE 7 June 2016 to 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018, the financial statements have been prepared in accordance with the MFRS, the IFRS and the requirements of the Act. There was no audit qualification for PPSB's financial statements for the FPE 7 June 2016 to 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018.

There is no change in the accounting policies which would result in a material variation to the comparable figures for the audited financial statements of PPSB for the FPE 7 June 2016 to 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018.

INFORMATION ON PERANGSANG SELANGOR

1. HISTORY AND BUSINESS

Perangsang Selangor was incorporated in Malaysia on 11 August 1975 under the Act as a public limited company. Perangsang Selangor was listed in the Main Market of Bursa Securities on 22 July 2003.

Perangsang Selangor is an investment holding company. Through its subsidiary companies, Perangsang Selangor is involved in the business of manufacturing, trading, licensing, infrastructure and oil & gas.

2. SHARE CAPITAL

The issued share capital of Perangsang Selangor as at the LPD are as follows:

	No. of Perangsang Selangor shares	Total RM
Ordinary shares	537,385,383	⁽¹⁾ 537,927,083.00

Note:

(1) *In accordance with the transitional provision set out in Section 618 of the Act, the amount standing to the credit of the share premium account of RM39,088,000 was consolidated as part of Perangsang Selangor's issued share capital.*

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of Perangsang Selangor and their respective shareholding in Perangsang Selangor as at the LPD are as follows:

Shareholder	Country of incorporation	Direct		Indirect	
		No. of Perangsang Selangor shares	%	No. of Perangsang Selangor shares	%
KDEB	Malaysia	311,023,454	57.88	-	-
Perbadanan Kemajuan Negeri Selangor	Malaysia	29,675,038	5.52	-	-
MBI	Malaysia	-	-	⁽¹⁾ 311,023,454	⁽¹⁾ 57.88

Note:

(1) *Deemed interested by virtue of its interest in KDEB pursuant to Section 8 of the Act.*

INFORMATION ON PERANGSANG SELANGOR (cont'd)
4. DIRECTORS

The directors of Perangsang Selangor and their respective shareholding in Perangsang Selangor as at the LPD, are as follows:

Name	Nationality	Direct		Indirect	
		No. of Perangsang Selangor shares	%	No. of Perangsang Selangor shares	%
YM Raja Shahreen Bin Raja Othman	Malaysian	-	-	-	-
Dato' Kamarul Baharin Bin Abbas	Malaysian	5	*	-	-
Suhaimi Bin Kamaralzaman	Malaysian	10,769	*	-	-
Dato' Mohamed Ross Bin Mohd Din	Malaysian	11,113	*	-	-
Dato' Idris Bin Md Tahir	Malaysian	-	-	-	-
Dato' Ikmal Hijaz Bin Hashim	Malaysian	-	-	-	-
Rita Benoy Bushon	Malaysian	-	-	-	-
Norliza Binti Kamaruddin	Malaysian	-	-	-	-
Koay Li Onn (Leon)	Malaysian	-	-	-	-
Ahmad Fariz Bin Hassan	Malaysian	-	-	-	-

Note:

* *Negligible*

5. SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES
5.1 Subsidiary Companies

The subsidiary companies of Perangsang Selangor as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
1.	Bold Approach Sdn. Bhd.	11 May 2016 Malaysia	100.00	Investment holding
2.	Nadi Biru Sdn. Bhd.	29 January 2016 Malaysia	100.00	Investment holding
3.	Perangsang Oil And Gas Sdn. Bhd	3 May 2012 Malaysia	100.00	Investment holding
4.	Perangsang Packaging Sdn. Bhd.	7 June 2016 Malaysia	100.00	Investment holding
5.	Viable Chip (M) Sdn. Bhd.	12 January 2006 Malaysia	100.00	Investment holding

INFORMATION ON PERANGSANG SELANGOR (cont'd)

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
6.	Cash Band (M) Berhad	30 May 2006 Malaysia	100.00	Investment holding
7.	Perangsang Dinamik Sdn. Bhd.	31 October 2017 Malaysia	100.00	Investment advisory services
8.	Perangsang Capital Sdn. Bhd.	10 October 2018 Malaysia	100.00	Trusts, funds and similar financing entities N.E.C, investment advisory services and other financial services activities except insurance/takaful and pension funding N.E.C.
9.	Perangsang Telco Sdn. Bhd.	6 March 2012 Malaysia	100.00	Investment holding
10.	Aqua-Flo Sdn. Bhd.	28 November 1994 Malaysia	51.00	Trading in chemical products
11.	KPS-HCM Sdn. Bhd.	8 October 2007 Malaysia	51.00	Road maintenance and rehabilitation, bulding construction, civil engineering works
12.	Kuala Langat Mining Sdn. Bhd.	21 October 1981 Malaysia	100.00	Dormant
13.	Selangor Amal Holdings Sdn. Bhd.	5 September 1990 Malaysia	100.00	Dormant
14.	Perangsang Metal Selangor Sdn. Bhd.*	11 July 1979 Malaysia	70.00	In liquidation

The subsidiary company of Bold Approach Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
15.	Kaiserkorp Corporation Sdn. Bhd.	12 March 1994 Malaysia	60.00	Investment holding

INFORMATION ON PERANGSANG SELANGOR (cont'd)

The subsidiary companies of Kaiserkorp Corporation Sdn. Bhd. as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
16.	Kyco Industries, Inc.	30 December 1981 United States	100.00	Investment holding
17.	Kingkoil International Pte. Ltd.	26 June 2013 Singapore	100.00	Investment holding

The subsidiary companies of Kyco Industries, Inc. as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
18.	King Koil Licensing Company, Inc.	30 December 1981 United States	60.00	Licensing of patents and know-how for manufacture and sale of beds, mattresses and box springs, along with trademarks for such products
19.	King Koil Manufacturing West, LLC	29 January 2018 United States	60.00	Production, sale and distribution of mattresses, related bedding and sleep products as well as any other activities necessary or incidental thereto
20.	King Koil Sales, Inc	30 July 2015 United States	60.00	Sales and marketing of beds, mattresses and other related products

The subsidiary company of Nadi Biru Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
21.	Smartpipe Technology Sdn Bhd	2 May 2012 Malaysia	60.00	Contractors and subcontractors for the laying of pipes for all kinds of constructional, structural and civil engineering works

The subsidiary company of PPSB as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
22.	CBB	11 November 1991 Malaysia	98.98	Investment holding company and provision of management services

INFORMATION ON PERANGSANG SELANGOR (cont'd)

The subsidiary companies of CBB as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
23.	Eversynergy Sdn. Bhd.	27 January 1995 Malaysia	98.98	Property holdings
24.	Multiview Enterprises Sdn Bhd	17 October 1984 Malaysia	98.98	Sale and marketing of industrial packaging tapes, materials and machinery and household care products
25.	Prestige Packages Sdn. Bhd.	16 February 1993 Malaysia	98.98	Manufacturer and sale of multi-wall paper bags, woven laminated bags and pulp moulded products
26.	Cenbond Packages Sdn. Bhd.	3 February 1994 Malaysia	98.98	Manufacturing and sale of plastic moulded products, packaging products and paper products
27.	Pro Pulp Packages Sdn. Bhd.	8 September 2003 Malaysia	98.98	Manufacture and sales of pulp moulded products
28.	CB Bags Sdn. Bhd.*	8 September 2003 Malaysia	98.98	Investment holding
29.	Polyplus Packages Sdn. Bhd.	28 January 1992 Malaysia	98.98	Manufacture and sales of corrugated carton boxes
30.	Polyplus Packages (JB) Sdn. Bhd.	8 April 2014 Malaysia	98.98	Manufacturing and sales of corrugated carton boxes

INFORMATION ON PERANGSANG SELANGOR (cont'd)

The subsidiary companies of Prestige Packages Sdn. Bhd. as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
31.	Centoz Industries Sdn. Bhd.	28 September 1994 Malaysia	79.18	Manufacture and sale of paper products
32.	Brandpak Industries Sdn. Bhd.	16 March 1995 Malaysia	98.98	Manufacture and marketing of stretch films, plastic bags and liners
33.	PT Prestige Packages Indonesia	8 August 2007 Indonesia	98.98	Manufacture and sale of cement paper bags
34.	Esteem Packaging Pte Ltd	26 July 2007 Singapore	79.18	Trading in paper and plastic packaging products

The subsidiary companies of Multiview Enterprises Sdn Bhd as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
35.	Multiview Packaging Sdn. Bhd.	2 November 1992 Malaysia	98.98	Manufacture and trading in industrial packaging tapes and related products
36.	Prior Packaging Industries Sdn. Bhd.*	26 March 1988 Malaysia	98.98	Dormant
37.	Multiview (S) Pte Ltd	16 March 1992 Singapore	98.98	Sales and marketing of household care products and packaging materials
38.	Ready Chemical (M) Sdn Bhd*	28 July 1984 Malaysia	79.18	Dormant
39.	Macro Chemicals Sdn. Bhd.	27 March 1997 Malaysia	98.98	Contract manufacturing of adhesive products and household care products

The subsidiary company of Pro Pulp Packages Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
40.	Hongda Century Packing & Printing Sdn. Bhd. (formerly known as Imej Harmoni Sdn Bhd)	20 March 1997 Malaysia	59.39	Offset printing for corrugated carton boxes and packaging

INFORMATION ON PERANGSANG SELANGOR (cont'd)

The subsidiary company of CB Bags Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
41.	Prestige Packages (Perlis) Sdn. Bhd.*	8 September 2003 Malaysia	98.98	Manufacture and sale of cement paper bags

The subsidiary companies of Cash Band (M) Berhad as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
42.	Perangsang Hotel & Properties Sdn Bhd	11 July 1981 Malaysia	100.00	Leasing operations
43.	Brisdale International Hotel Sdn. Bhd.	30 September 1988 Malaysia	100.00	Dormant

The subsidiary company of Perangsang Dinamik Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
44.	CPI (Penang) Sdn. Bhd.	4 January 1990 Malaysia	100.00	Manufacture, assembly and sale of electronic and electrical products and plastic moulded components and parts

The subsidiary company of CPI (Penang) Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest	Principal activities
			(%)	
45.	PCM Manufacturing Sdn. Bhd.	2 June 1994 Malaysia	60.00	Manufacture and process of spraying silk screening, tempo and robot arm

Note:

* Under the process of Members' Voluntarily Winding-Up.

INFORMATION ON PERANGSANG SELANGOR (cont'd)

5.2 Associated Companies

The associated companies of Perangsang Selangor as at the LPD are as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
1.	Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd.	27 March 1997 Malaysia	20.00	Investment holding and provisions of management services
2.	Perangsang Water Management Sdn. Bhd.	6 November 1991 Malaysia	40.00	Water project operation and management

The associated company of Perangsang Oil And Gas Sdn. Bhd. as at the LPD is as follows:

No.	Name of company	Date and place of incorporation	Effective equity interest (%)	Principal activities
3.	NGC Energy Sdn. Bhd.	10 April 2012 Malaysia	40.00	The operation, marketing and selling of liquefied petroleum gas commodity to its distributors and customers

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INFORMATION ON PERANGSANG SELANGOR (cont'd)
6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of Perangsang Selangor based on its audited consolidated financial statements for the FYE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018 are as follows:

	Audited FYE 31 December 2016	Audited FYE 31 December 2017	Audited FYE 31 December 2018
	RM 000	RM 000	RM 000
Revenue	144,498	361,495	582,313
Profit before tax	113,023	69,886	(179,639)
Tax expense and zakat	(11,163)	(6,870)	(17,118)
Profit / (Loss) for the period	101,860	63,016	(196,757)
Profit attributable to:			
Owners of the parent	97,766	58,762	(205,549)
Non-controlling interests	4,094	4,254	8,792
No. of Perangsang Selangor Shares in issue	499,004,119	499,004,119	537,385,383
Weighted average no. of Perangsang Selangor Shares	499,004,119	520,573,000 ⁽¹⁾	520,573,000 ⁽¹⁾
Net dividend per Perangsang Selangor Share (sen)	2.00	4.25	4.25
Basic earnings per Perangsang Selangor Share (sen) ⁽²⁾	19.59	11.29	(39.49)

There are no exceptional items in the audited consolidated financial statements of Perangsang Selangor for the FYE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018.

Notes:

(1) On 12 June 2018, Perangsang Selangor completed the bonus issue of 38,381,264 new ordinary shares of Perangsang Selangor. The comparative figures have been restated to reflect the effects of the bonus issue.

(2) Based on weighted average number of Perangsang Selangor Shares.

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of Perangsang Selangor based on its audited consolidated statement of financial position as at 31 December 2017 and 31 December 2018 are as follows:

	Audited FYE 31 December 2017	Audited FYE 31 December 2018
	RM 000	RM 000
ASSETS		
Non-current assets		
Property, plant and equipment	94,602	157,596
Investment properties	95,863	92,433
Investments in associates	1,171,698	929,891
Intangible assets	204,723	207,264
Goodwill on consolidation	42,760	170,794

INFORMATION ON PERANGSANG SELANGOR (cont'd)

	Audited FYE 31 December 2017	Audited FYE 31 December 2018
	RM 000	RM 000
Long term receivables	34,095	25,551
Deferred tax assets	477	353
Club memberships	203	203
	<u>1,644,421</u>	<u>1,584,085</u>
Current assets		
Inventories	49,324	82,409
Trade and other receivables	170,403	293,128
Cash and bank balances and short term funds	79,044	166,448
Current tax assets	1,730	6,853
	<u>300,501</u>	<u>548,838</u>
Non-current assets held for sale	-	24,200
TOTAL ASSETS	<u>1,944,922</u>	<u>2,157,123</u>
LIABILITIES		
Non-current liabilities		
Other payable	-	51,424
Loans and borrowings	225,977	405,650
Deferred tax liabilities	62,891	69,342
	<u>288,868</u>	<u>526,416</u>
Current liabilities		
Loans and borrowings	81,681	205,486
Trade and other payables	118,480	170,055
Contract liabilities	-	8,490
Current tax liabilities	1,347	4,038
	<u>201,508</u>	<u>388,069</u>
TOTAL LIABILITIES	<u>490,376</u>	<u>914,485</u>
EQUITY		
Share capital	538,092	537,927
Foreign currency translation reserve	(976)	1,141
Retained earnings	824,463	595,140
	<u>1,361,579</u>	<u>1,134,208</u>
Non-controlling interests	92,967	108,430
TOTAL EQUITY	<u>1,454,546</u>	<u>1,242,638</u>
TOTAL LIABILITY & EQUITY	<u>1,944,922</u>	<u>2,157,123</u>

INFORMATION ON PERANGSANG SELANGOR *(cont'd)*

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the LPD, there is no material change in the financial position of Perangsang Selangor subsequent to 31 December 2018, being the date of its latest audited consolidated financial statements, other than as disclosed in announcements made by Perangsang Selangor on Bursa Securities, which include quarterly financial results, from time to time.

9. ACCOUNTING POLICIES

Based on the audited consolidated financial statements of Perangsang Selangor for FYE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018, the financial statements have been prepared in accordance with the MFRS, the IFRS and the requirements of the Act. There was no audit qualification for Perangsang Selangor's financial statements for the FYE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018.

There is no change in the accounting policies which would result in a material variation to the comparable figures for the audited consolidated financial statements of Perangsang Selangor for the FYE 31 December 2016, FYE 31 December 2017 and FYE 31 December 2018.

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DISCLOSURE OF INTERESTS AND DEALINGS IN CBB SHARES

1. DISCLOSURE OF INTERESTS IN CBB SHARES

1.1 By the Non-Entitled Shareholder or any persons acting in concert with it

Save as disclosed below, the Non-Entitled Shareholder or any persons acting in concert with it does not have any interest, direct or indirect, in CBB Shares as at the LPD:

Shareholder	Direct		Indirect	
	No. of CBB Shares	%	No. of CBB Shares	%
PPSB	118,771,566	98.98	-	-
Perangsang Selangor	-	-	⁽¹⁾ 118,771,566	⁽¹⁾ 98.98
KDEB	-	-	⁽²⁾ 118,771,566	⁽²⁾ 98.98
MBI	-	-	⁽³⁾ 118,771,566	⁽³⁾ 98.98

Notes:

(1) Deemed interested by virtue of its interest in PPSB pursuant to Section 8 of the Act.

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

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

1.2 By the Directors of the Non-Entitled Shareholder

None of the Directors of PPSB has any interest, direct or indirect, in CBB Shares as at the LPD.

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

As at 21 May 2019, the Board of CBB and the Non-Entitled Shareholder or any persons acting in concert with it, have received the undertaking letters by the following shareholders to vote in favour of the special resolution pertaining to the Proposed SCR to be tabled at the forthcoming EGM:

Receipt date of the letter by CBB/Non-Entitled Shareholder	Date of the letter	Name of the shareholders	Number of CBB Shares held	% of CBB Shares held against CBB Shares in issue
7 May 2019	24 April 2019	Goh Lee Kian	5,000	0.004%
16 May 2019	24 April 2019	Ng Siew Hoon	5,000	0.004%
16 May 2019	24 April 2019	Chan Yit Fah	40,000	0.033%
16 May 2019	24 April 2019	Fun Yoon Fah	20,000	0.017%
21 May 2019	24 April 2019	Kou Pic Yen	10,000	0.008%

As at 21 May 2019, save for the abovementioned undertaking, the Board of CBB and the Non-Entitled Shareholder or any persons acting in concert with it have not received any other irrevocable undertaking from any Entitled Shareholders to vote in favour or against of the Proposed SCR at the forthcoming EGM.

1.4 By persons with whom the Non-Entitled Shareholder or any persons acting in concert with it has any arrangement

As at the LPD, the Non-Entitled Shareholder or any persons acting in concert with it has not entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to CBB Shares held by the Entitled Shareholders which may be an inducement to deal or to refrain from dealing with CBB Shares held by the Entitled Shareholders.

DISCLOSURE OF INTERESTS AND DEALINGS IN CBB SHARES *(cont'd)*

1.5 By persons with whom the Non-Entitled Shareholder or any persons acting in concert with it has borrowed or lent

As at the LPD, the Non-Entitled Shareholder or any persons acting in concert with it has not borrowed or lent any CBB Shares from or to the Entitled Shareholders.

2. DEALINGS IN CBB SHARES

The Non-Entitled Shareholder or any persons acting in concert with it and its Directors have not dealt in CBB Shares during the 6 months prior to the date of the SCR Offer Letter and up to the LPD.

3. MATERIAL CHANGES IN THE FINANCIAL POSITION OR PROSPECTS OF CBB

To the best knowledge of the Non-Entitled Shareholder, as at the LPD, there has been no material change in the financial position or prospects of the CBB Group since the FYE 31 December 2018, being the date of the last audited consolidated statement of financial position of CBB laid before the shareholders of CBB at its general meeting.

4. GENERAL DISCLOSURES

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

4.2 As at the LPD, save for this Proposed SCR in which the Interested Directors are interested, there is no agreement, arrangement or understanding between the Non-Entitled Shareholder or any persons acting in concert with it and any of the existing directors or recent directors of CBB (being such person who was, during the period of 6 months prior to the date of the SCR Offer Letter, a director of CBB), or any of the existing shareholders or recent shareholders of CBB (being such person who was, during the period of 6 months prior to the date of the SCR Offer Letter, a shareholder) having any connection with or dependence upon the Proposed SCR.

4.3 As at the LPD, there is no agreement, arrangement or understanding where any CBB Shares acquired pursuant to the Proposed SCR will be transferred to any other person(s).

4.4 As at the LPD, save for employment contracts, there are no material contracts entered into by CBB in which any director of CBB has any material personal interest.

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ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

This Document has been reviewed and approved by the Board of CBB, who collectively and individually have taken reasonable care to ensure the facts stated and opinions expressed by the Board of CBB in this Document, in so far as it relates to CBB, are fair and accurate and that no material facts have been omitted and that the Board of CBB accepts responsibility accordingly.

The Board of CBB jointly and severally accepts full responsibility for the accuracy of the information contained in this Document. The Board of CBB confirms that, after having made all reasonable inquiries, to the best of its knowledge, the facts stated and/or opinions expressed in this Document are fair and accurate after having due and careful consideration and there are no material facts have been omitted in this Document, the omission of which would make any statement herein misleading.

Information on PPSB and Perangas Selangor in this Document were provided by their respective management and/or obtained from publicly available sources. Any statement or information in relation to PPSB and Perangas Selangor as disclosed in this Document are confirmed by them respectively. The responsibility of the Board of CBB is limited in ensuring that such information is accurately reproduced in this Document.

In respect of the IAL, the responsibility of the Board of CBB is limited to ensuring that all relevant information in relation to CBB Group that was provided to the Independent Adviser for its evaluation of the Proposed SCR is accurate and that no material fact, the omission of which would make any information provided to the Independent Adviser false or misleading.

2. CONSENTS AND CONFLICT OF INTEREST

2.1 CIMB

CIMB has been appointed as the Principal Adviser to PPSB and Principal Adviser to CBB for the Proposed SCR.

The Board of CBB is fully informed of and is aware of CIMB's capacity as the Principal Adviser to PPSB and CBB for the Proposed SCR. In addition, the Board of CBB has appointed PIVB as the Independent Adviser to advise the Entitled Shareholders in relation to the Proposed SCR.

CIMB has given and has not subsequently withdrawn its written consent for the inclusion of its name and all references thereto in this Document in the form and context in which they appear.

CIMB and its related and associated companies, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company (the "**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses ("**Services**"). The CIMB Group has engaged and may in the future, engage in transactions with and perform services for PPSB and/or its affiliates and/or CBB and/or its affiliates, in addition to its role as the Principal Adviser for the Proposed SCR.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of PPSB and any of its affiliates and/or CBB and/or its affiliates, hold long or short positions in securities issued by us and/or our affiliates, make investment recommendations and/or publish or express independent views on such securities and may trade or otherwise effect transactions on its own account or the account of its other customers in debt or equity securities or senior loans of PPSB and/or its affiliates and/or CBB and/or its affiliates. This is a result of the businesses of the CIMB Group generally acting independently of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers now, have or in the future, may have interest or take actions that may conflict with the interests of PPSB and/or its affiliates and/or CBB and/or its affiliates.

ADDITIONAL INFORMATION (cont'd)

As at the LPD, CIMB Islamic Bank Berhad has in the ordinary course of its banking business, extended credit facilities to the CBB Group, and CBB Group have an outstanding amount of approximately RM32 million.

CIMB confirms that the abovementioned extension of credit facilities does not result in conflict of interest situation in respect of its role as the Principal Adviser for the Proposed SCR due to the following:

- (i) CIMB Islamic Bank Berhad is a licensed commercial bank and the extension of credit facilities to CBB Group arose in the ordinary course of business of the CIMB Group; and
- (ii) the total credit facilities granted by CIMB Islamic Bank Berhad are not material when compared to the audited net assets of the CIMB Group as at 31 December 2018.

2.2 PIVB

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

PIVB confirms that there is no conflict of interest situation that exists or is likely in its capacity as Independent Adviser in relation to the Proposed SCR.

3. MATERIAL CONTRACTS

The Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years immediately preceding the date of the SCR Offer Letter up to the LPD.

4. MATERIAL LITIGATION

As at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board of CBB is not aware of any proceeding, pending or threatened against the Group, or of any fact likely to give rise to any proceeding which may materially or adversely affect the financial position or business of the Group.

5. MATERIAL COMMITMENTS

Save as disclosed below, as at 31 March 2019, being not more than 3 months prior to the LPD, there are no material commitments incurred or known to be incurred by the Group:

	RM
Capital expenditure	<u>1,275,349</u>

ADDITIONAL INFORMATION *(cont'd)*

6. BORROWINGS AND MATERIAL CONTINGENT LIABILITIES
6.1 Borrowings

As at 31 March 2019, being not more than 3 months prior to the LPD, the Group has total outstanding borrowings of approximately RM33,503,419, all of which are interest bearing, as follows:

	<u>RM</u>
Short term borrowings	
- Hire Purchase	1,759,052
Long term borrowings	
- Hire Purchase	460,729
- Bankers acceptance	3,028,000
- Multiple currency trade financing	8,516,926
- Revolving credit	9,000,000
- Trust receipt	10,738,712
Total borrowings	<u>33,503,419</u>

6.2 Contingent Liabilities

As at 31 March 2019, being not more than 3 months prior to the LPD, the Group does not have any contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of CBB at Suites 5.11 & 5.12, 5th floor, Menara TJB, No. 9, Jalan Syed Mohd Mufti, 80000 Johor Bahru, Johor Darul Takzim during normal business hours from Mondays to Fridays (except public holidays) from the date of this Document up to and including the date of the forthcoming EGM:

- (i) the Memorandum and Articles of Association of CBB;
- (ii) the SCR Offer Letter referred to in Appendix I of this Document;
- (iii) the undertaking letters referred to in Section 1.3 of Appendix V of this Document;
- (iv) the audited consolidated financial statements of CBB for the FPE 31 March 2016, FYE 31 December 2017 and FYE 31 December 2018; and
- (v) the letters of consent referred to in Section 2 of this Appendix.



CENTURY BOND BHD.

(Company No.: 228669-V)

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Century Bond Bhd. will be held at Perth Hotel, Level 2, Seminar Room, 21, Jalan Terminal 1, Senai Centrepoint, 81400 Senai, Johor Darul Takzim on Thursday, 20 June 2019 at 12.30 p.m. or immediately upon the conclusion or the adjournment of the 27th Annual General Meeting (as the case may be) which will be held at the same venue on the same date at 12.00 p.m., whichever is later or any adjournment thereof, for the purpose of considering, and if thought fit, passing, the following special resolution, with or without modifications:

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE TO BE UNDERTAKEN BY CENTURY BOND BHD. (“CBB” OR “COMPANY”) PURSUANT TO SECTION 116 OF THE COMPANIES ACT, 2016 (“ACT”) (“PROPOSED SCR”)

“THAT, subject to the confirmation by the High Court of Malaya pursuant to Section 116 of the Act and the requisite approvals/consent being obtained from the relevant authorities and other parties (where required), approval be and is hereby given for the Company to undertake and effect the Proposed SCR pursuant to Section 116 of the Act via the reduction of the share capital of the Company from RM60,000,000.00 comprising 120,000,000 ordinary shares of CBB (“**CBB Shares**”) to RM57,850,240.50 comprising 118,771,566 CBB Shares by way of cancelling a total of 1,228,434 CBB Shares held by all the shareholders of the Company other than Perangsang Packaging Sdn. Bhd. (“**PPSB**” or “**Non-Entitled Shareholder**”) (“**Entitled Shareholders**”) which is in accordance with the offer letter dated 16 April 2019 from PSPB requesting the Company to undertake the Proposed SCR. In conjunction therewith, the Non-Entitled Shareholder will waive its entitlements to be repaid under the Proposed SCR;

And forthwith after the said reductions, the entire credit arising from the said reductions shall be applied by CBB towards a cash capital repayment of RM1.75 in cash to the Entitled Shareholders for each existing CBB Shares held by the Entitled Shareholders at the entitlement date to be determined by the Board of Directors of the Company (“**Board**”) and disclosed later (“**Entitlement Date**”) on which the names of the Entitled Shareholders must be registered in the Record of Depositors of CBB as at 5:00 p.m. in order to participate in the Proposed SCR;

THAT, approval and authority be and are given to the Directors of the Company, with full power to take all such steps and exercise all such discretion as they may deem necessary:

- (i) to determine the Entitlement Date;
- (ii) to assent to any condition, stipulation, modification, variation, amendment or requirement imposed or permitted by any relevant regulatory authority and/or by the High Court of Malaya;
- (iii) to effect the capital repayment of RM1.75 in cash for each CBB Share held by the Entitled Shareholders as at the Entitlement Date; and
- (iv) to lodge an office copy of the order of the High Court of Malaya referred to in this resolution with the Companies Commission of Malaysia on such date as the Directors may determine in its sole discretion (subject to the terms of the said order of the High Court of Malaya);

AND FURTHER THAT the Board be and is hereby authorised to take such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as it may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give effect to the Proposed SCR as may be deemed by the Board to be necessary, appropriate, expedient and/or incidental in the best interest of CBB in order to implement, finalise, complete and to give full effect to the Proposed SCR.”

BY ORDER OF THE BOARD

LEE WEE HEE (MAICSA 0773340)
HASHIMAH BINTI MOHD ISA (F) (MACS 01269)
SELFIA BINTI MUHAMMAD EFFENDI (F) (MAICSA 7046782)
Company Secretaries

Johor Bahru
Date : 27 May 2019

NOTES:

- (i) *A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of him at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting*
- (ii) *A member shall be entitled to appoint up to two (2) proxies only to attend and vote at the same meeting and where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.*
- (iii) *Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, he may appoint at least one (1) proxy in respect of each Securities Account he holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (iv) *The instrument appointing a proxy shall be in writing in the common form or any form approved by the Directors under the hand of the appointor or his attorney duly authorised in writing.*
- (v) *The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the Registered Office of the Company situated at Suites 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor Darul Takzim at least 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote.*
- (vi) *In respect of deposited securities, only members whose names appear on the Record of Depositors as at 14 June 2019, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*
- (vii) *The special resolution is to be voted by poll.*

CENTURY BOND BHD.

(Company No. 228669-V)

(Incorporated in Malaysia)

PROXY FORM

I/We _____ (NRIC No. _____)

of (full address) _____

a member / members of CENTURY BOND BHD. hereby appoint _____

(NRIC No. _____) of (full address) _____

_____ or failing him, _____

(NRIC No. _____) of (full address) _____

or *failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company to be held at Perth Hotel, Level 2, Seminar Room, 21, Jalan Terminal 1, Senai Centrepoint, 81400 Senai, Johor Darul Takzim on Thursday, 20 June 2019 at 12.30 p.m. or immediately upon the conclusion or the adjournment of the 27th Annual General Meeting (as the case may be) which will be held at the same venue on the same date at 12.00 p.m., whichever is later and at any adjournment thereof to vote as indicated below in respect of the following Resolutions: -

		FOR	AGAINST
Special Resolution	Proposed Selective Capital Reduction and Repayment Exercise to be undertaken by Century Bond Bhd. pursuant to Section 116 of the Companies Act, 2016		

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

Dated this _____ day of _____ 2019

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:-

No. of shares held:	No. of shares	Percentage
	Proxy 1:	_____ %
	Proxy 2:	_____ %
	Total	100%

Signature of member/s

NOTES :

- (i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of him at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (ii) A member shall be entitled to appoint up to two (2) proxies only to attend and vote at the same meeting and where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
- (iii) Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, he may appoint at least one (1) proxy in respect of each Securities Account he holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (iv) The instrument appointing a proxy shall be in writing in the common form or any form approved by the Directors under the hand of the appointor or his attorney duly authorised in writing.
- (v) The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the Registered Office of the Company situated at Suites 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor Darul Takzim at least 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote.
- (vi) In respect of deposited securities, only members whose names appear on the Record of Depositors as at 14 June 2019, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- (vii) The special resolution is to be voted by poll.



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Then fold here

AFFIX
STAMP

The Company Secretary
CENTURY BOND BHD. (228669-V)
Registered Office
Suites 5.11 & 5.12, 5th Floor,
Menara TJB, No. 9, Jalan Syed Mohd. Mufti,
80000 Johor Bahru,
Johor Darul Takzim, Malaysia

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