

THIS INDEPENDENT ADVICE CIRCULAR (“IAC”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS IAC IN CONJUNCTION WITH THE OFFER DOCUMENT DATED 6 JULY 2015 ISSUED BY PUBLIC INVESTMENT BANK BERHAD ON BEHALF OF EVERGREEN RATIO SDN BHD WHICH HAS BEEN SENT TO YOU.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all your ordinary shares of RM1.00 each in BCB Berhad, you should at once hand this IAC to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Pursuant to Section 15(7) of the Malaysian Code on Take-overs and Mergers, 2010 (“Code”), the Securities Commission Malaysia (“SC”) has granted its consent to the issuance of this IAC. However, such consent shall not be taken to imply that the SC agrees with the views and recommendations as contained in this IAC. It merely means that this IAC has complied with the disclosure requirements under the Code. The SC takes no responsibility for the contents of this IAC, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this IAC.



Building Communities & Beyond

BCB BERHAD

(Company No. 172003-W)

(Incorporated in Malaysia under the Companies Act, 1965)

INDEPENDENT ADVICE CIRCULAR TO THE SHAREHOLDERS OF BCB BERHAD

IN RELATION TO THE CONDITIONAL MANDATORY TAKE-OVER OFFER

BY

EVERGREEN RATIO SDN BHD

(Company No. 980997-K)

(Incorporated in Malaysia under the Companies Act, 1965)

(“OFFEROR”)

THROUGH

PUBLIC INVESTMENT BANK BERHAD

(Company No. (20027-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

TO ACQUIRE

ALL THE REMAINING ORDINARY SHARES OF RM1.00 EACH IN BCB BERHAD (EXCLUDING TREASURY SHARES) NOT ALREADY HELD BY THE OFFEROR (“OFFER SHARES”) FOR A CASH CONSIDERATION OF RM1.00 PER OFFER SHARE

INDEPENDENT ADVISER



This Independent Advice Circular is dated 16 July 2015

DEFINITIONS

In this Independent Advice Circular and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:-

Acceptance Condition	: The condition that the Offeror having received, before the close of the Offer, valid acceptances by the Holders (provided that such acceptances are not, where permitted, subsequently withdrawn) in respect of the Offer Shares, which would result in the Offeror holding, in aggregate with such Shares that are already acquired, held or entitled to be acquired or held by the Offeror, if any, more than 50% of the voting shares of the Offeree
Accepting Holder(s)	: Holder(s) who accepts the Offer
Acquisition	: Acquisition by ERSB of an aggregate of 22,553,100 BCB Shares, representing 11.26% of the issued and paid-up share capital of BCB (excluding Treasury Shares) for a cash consideration of RM1.00 per BCB Share, amounting to a total purchase consideration of RM22,553,100 effected via DBT on 15 June 2015
Act	: Companies Act, 1965 and any amendments from time to time
BCB Group or Group	: BCB and its subsidiary companies, collectively
BCB or Company or Offeree	: BCB Berhad (172003-W)
BCB Share(s) or Share(s)	: Ordinary share(s) of RM1.00 each in BCB
Board	: Board of directors of BCB
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
Closing Date	: First Closing Date or extended closing date in the event the Offer is revised or extended in accordance with the Code or as the Offeror may decide and announced by PIVB, on behalf of the Offeror, at least 2 days before the Closing Date
CMSA	: Capital Market & Services Act, 2007 and any amendments from time to time
Code	: Malaysian Code on Take-Overs and Mergers, 2010 and any amendments from time to time
DBT	: Direct business transactions, as defined in Chapter 10 of Rules of Bursa Securities
Director(s)	: Director(s) of BCB
Dissenting Holder(s)	: Any Holder(s) who does not accept the Offer and/or any shareholder who has failed or refused to transfer the Offer Shares to the Offeror in accordance with the Offer Document
Distribution	: Any form of distributions declared, made or paid to the Holder(s), including without limitation, dividends declared on BCB Shares
EPS	: Earnings per share
ERSB or Offeror	: Evergreen Ratio Sdn Bhd (980997-K)
FBM KLCI	: FTSE Bursa Malaysia Kuala Lumpur Composite Index
First Closing Date	: 5.00 pm (Malaysian time) on 27 July 2015, being 21 days from the Posting Date
FPE	: Financial period ended or ending, as the case may be

DEFINITIONS

FYE	:	Financial year ended or ending, as the case may be
GDV	:	Gross development value
Holder(s)	:	Holder(s) of the Offer Shares
IAC	:	Independent advice circular dated 16 July 2015 in relation to the Offer comprising the letter from the Board (as contained in Part A of this IAC) and the IAL (as contained in Part B of this IAC)
IAL	:	Independent advice letter as contained in Part B of this Circular
Interested Directors	:	Dato' Tan Seng Leong, Tan Lay Hiang, Tan Lindy, Tan Vin Sern and Tan Vin Shyan, collectively
KAF Investment Independent Adviser	or :	KAF Investment Bank Berhad (20657-W), being the Independent Adviser appointed by the Board in accordance with Section 15 of the Code
KLPRP	:	Kuala Lumpur Property Index
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities and any amendments from time to time
LPD	:	13 July 2015, being the latest practicable date which is not more than seven days before the date of this IAC
LTD	:	12 June 2015, being the last trading day prior to the date of the Notice
Market Day	:	A day on which Bursa Securities is open for trading of securities
NA	:	Net assets
NBV(s)	:	Net book value(s)
Non-Interested Directors	:	Ash'ari Bin Ayub, Datuk Seri Ismail Bin Yusof, Low Kok Yung and Abd Manap Bin Hussain, collectively
Notice	:	Notice of the Offer dated 15 June 2015 issued by PIVB, on behalf of the Offeror and served on the Board
Offer	:	The conditional mandatory take-over offer by the Offeror through PIVB to acquire the Offer Shares at the Offer Price from the Holders subject to and upon the terms and conditions set out in the Offer Document, including any revision or extension (if any) thereof. For avoidance of doubt, the Offer is also extended to the PACs who are also Holders
Offer Document	:	The offer document dated 6 July 2015 which sets out the details of the Offer together with the form of acceptance and transfer for the Offer Shares
Offer Document LPD	:	30 June 2015, being the latest practicable date set out in the Offer Document
Offer Period	:	The period commencing from 15 June 2015, being the date of the Notice and ending on the:- (i) Closing Date; or (ii) Date on which the Offer lapses, expires or is withdrawn with the consent of the SC, whichever earlier
Offer Price	:	Cash consideration of RM1.00 for each Offer Share

DEFINITIONS

Offer Shares	:	All the BCB Shares not already owned by the Offeror (excluding the Treasury Shares) of 111,978,300 BCB Shares (which includes 7,422,300 BCB Shares owned by the PACs), representing approximately 55.92% of the issued and paid-up share capital of the Offeree as at the date of the Notice
Official List	:	A list specifying all securities which have been admitted for listing on the Bursa Securities
PACs	:	Persons acting in concert with the Offeror in relation to the Offer pursuant to Section 216 of the CMSA, as set out in Section 1 of the Offer Document
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PIVB	:	Public Investment Bank Berhad (20027-W)
Posting Date	:	6 July 2015, being the date of posting of the Offer Document
Public Spread Requirement	:	The public spread requirement of at least 25% of a listed entity's total listed shares (excluding treasury shares) are in the hands of the public shareholders, as set out in Paragraph 8.02 and Practice Note 19 of the Listing Requirements
RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission Malaysia
Treasury Shares	:	6,017,600 BCB Shares held by BCB as the treasury shares as at the Offer Document LPD
Unconditional Date	:	8 July 2015, being the date of acceptance condition of the Offer has been fulfilled as announced by PIVB on behalf of the Offeror on even date
Ultimate Offeror	:	Dato' Tan Seng Leong
VWAMP	:	Volume-weighted average market price

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

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

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

All references to "**we**", "**us**" and "**our**" in this IAC are to KAF Investment, the Independent Adviser.

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

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

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This executive summary represents only a summary of the pertinent information on the Offer and the IAC pursuant to the Offer. Holders are advised to carefully read and understand fully the contents of this IAC, which is to be read in conjunction with the Offer Document dated 6 July 2015.

1.0 DETAILS OF THE OFFER

On 15 June 2015, ERSB acquired an aggregate of 22,553,100 BCB Shares, representing approximately 11.26% of the issued and paid-up share capital of BCB (net of Treasury Shares) for a total cash consideration of RM22,553,100 or RM1.00 per BCB Shares. The said transaction was effected via direct business transaction. Following the transaction, ERSB holds 88,254,100 BCB Shares, representing approximately 44.08% of the issued and paid-up share capital of BCB (net of Treasury Shares).

Pursuant to Section 218(2) of the CMSA and Section 9(1)(a), Part III of the Code the Offeror is obliged to extend a mandatory take-over offer to acquire all the Offer Shares.

BCB had, on 15 June 2015 and 16 June 2015 announced the receipt of Notice and it does not intend to seek an alternative person to make a take-over offer for BCB Shares, respectively.

BCB had, on 19 June 2015 announced the appointment of KAF Investment as the Independent Adviser for the Offer to advise the Non-Interested Directors and the Holders on the fairness and reasonableness of the Offer. On 22 June 2015, in accordance with Section 15(11) of the Code, KAF Investment had declared to the SC of its independence and eligibility to act as the Independent Adviser in relation to the Offer.

The Offer Document together with the Form were posted to the Holders on 6 July 2015.

YOU ARE ADVISED TO READ THE WHOLE OF THIS IAC TOGETHER WITH THE OFFER DOCUMENT AND CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED HEREIN BEFORE TAKING ANY ACTION. THIS IAC DOES NOT CONSTITUTE THE OFFER OR ANY PART THEREOF.

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EXECUTIVE SUMMARY

2.0 SALIENT TERMS OF THE OFFER

<p>Consideration of the Offer</p>	<p>The consideration for the Offer is RM1.00 per Offer Share which shall be satisfied wholly in cash. Notwithstanding this, if BCB declares, makes or pays any Distribution on or after the date of the Notice but prior to the Closing Date and the Holders are entitled to retain such Distribution, the Offer Price shall be reduced by an amount equivalent to the net Distribution per Offer Share which such Holder is entitled to retain.</p> <p>Under such circumstances, the aggregate net amount of the Distribution received by the Accepting Holder and the Offer Price payable to the Accepting Holder shall not exceed RM1.00 per Offer Share.</p>
<p>Condition of the Offer</p>	<p>The Offer is conditional upon the Offeror receiving valid acceptances from the Holders of the Offer Shares by the Closing Date, which would result in the Offeror and its PACs holding, in aggregate with the BCB Shares that are already acquired, held or entitled to be acquired or held by the Offeror and its PACs, more than 50% of the total voting shares of BCB.</p> <p>PIVB had, on 8 July 2015, on behalf of the Offeror, served a notice on the Board informing that the acceptance condition of the Offer has been fulfilled and the Offer has become unconditional on even date.</p>
<p>Duration of the Offer</p>	<p>The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) on 27 July 2015, being the First Closing Date, unless extended or revised in accordance with the Code or as the Offeror may decide and announced by PIVB, on behalf of the Offeror, at least two (2) days before the Closing Date.</p> <p>Please refer to Section 2 of Appendix II of the Offer Document for further details on the duration of the Offer.</p>
<p>Method of Settlement</p>	<p>The settlement for the Offer Shares will be effected via remittance in the form of cheque(s), banker's draft(s) and/or cashier's order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct), at the Accepting Holders' registered Malaysian addresses last maintained with Bursa Depository, in respect of valid acceptances, at their own risk, within ten (10) days from:-</p> <ul style="list-style-type: none"> (i) the Unconditional Date if the valid acceptances are received during the period when the Offer is still conditional; or (ii) the date of receipt of the valid acceptances, if the valid acceptances are received during the period when the Offer has become or is declared unconditional.

Please refer to Appendix II of the Offer Document for other terms and conditions of the Offer and Appendix III of the Offer Document for the procedures for acceptance and method of settlement of the Offer.

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EXECUTIVE SUMMARY

3.0 DETAILS OF ACCEPTANCES

PIVB had, on 8 July 2015, on behalf of the Offeror, served a notice on the Board informing that the Offeror had received valid acceptances in respect of the Offer, resulting in the Offeror and the PACs holding in aggregate together with such BCB Shares that are already acquired, held or entitled to be acquired or held by the Offeror and the PACs, more than 50% of the voting shares of BCB as at 5.00 p.m. (Malaysian time) on 8 July 2015.

As such, the acceptance condition of the Offer has been fulfilled and the Offer has become unconditional on 8 July 2015.

The closing date of the Offer and time for acceptances of the Offer remains on 27 July 2015 at 5.00 p.m. Save for the Unconditional Date, all other details, terms and conditions of the Offer as set out in the Offer Document shall remain unchanged.

Save for the acceptances as mentioned above, as at the LPD, there is no announcement made by PIVB, on behalf of the Offeror, of any acceptance of the Offer and the Offeror has not received any irrevocable undertaking from any Holder to accept the Offer.

4.0 EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Offer in accordance with Paragraph 3.1 to 3.6, Practice Note 15 of the Code.

Pursuant to the Practice Note 15 of the Code, in relation to a take-over offer, the term “fair and reasonable” should generally be analysed as two (2) distinct criteria, i.e. whether the offer is “fair” and whether the offer is “reasonable” rather than a composite term. A take-over offer is considered as “fair” if the offer price (or value consideration) is equal to or higher than the market price and is also equal to or higher than the value of the securities of the Offeree.

Under Paragraph 3.4, Practice Note 15 of the Code, generally, a take-over offer would be considered “reasonable” if it is fair. In considering whether the Offer is reasonable, we have also examined several factors to which the Holders may consider prior to accepting or rejecting the Offer, which includes the listing status of BCB, compulsory acquisition and rights of Dissenting Shareholders and rationale for the Offer.

4.1 Assessment of the fairness of the Offer

(i) NA per BCB Share

BCB Berhad is an investment holding company which has operation in property development and hotels. The Company, through its subsidiaries, manages and leases properties, provides project management, road construction services, and manufactures concrete products and furniture.

We have considered the NA per BCB Share as the most appropriate valuation methodology as it is most suitable to be used for valuation of an asset-based entity such as that of a property-based company.

The NA per BCB Share is computed as follows:-

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EXECUTIVE SUMMARY

	(RM'000)	Value per BCB Share (RM)	Discount to the Offer Price (RM)	Discount to the Offer Price (%)
Audited NA of BCB as at 30 June 2014	393,153	#1.96	0.96	48.98
Unaudited NA of BCB as at 31 March 2015	420,063	*2.10	1.10	52.38

Divided by BCB's issued and paid-up share capital of 200,234,400 Shares (net of 6,015,600 treasury shares as at 30 June 2014)

* Divided by BCB's issued and paid-up share capital of 200,232,400 Shares (net of 6,017,600 treasury shares as at 31 March 2015)

We had initially assessed the fairness of the Offer by using the Realised Net Asset Value ("RNAV") method of valuation. However, we decided not to proceed with the RNAV method of valuation due to shortcomings in the valuation documents.

The Offer Price represents a discount of RM0.96 and RM1.10 or 48.98% and 52.38% to the NA per BCB Share as at 30 June 2014 and 31 March 2015 respectively.

Please refer to Section 6.1 of Part B of this IAC for further details.

(ii) Historical share price of BCB

The Offer Price represents a range of premiums ranging between 1.52% to 2.67% against the last transacted price, five (5)-day, one (1)-month, three (3)-month, six (6)-month VWAP up to and including the LTD.

However, the Offer Price represents a discount of 18.77% over the one (1)-year VWAP. Such discount presents an unattractive offer to investors of BCB to realise investment in BCB Shares.

Please refer to Section 6.2 of Part B of this IAC for further details.

Based on the overall assessment on the fairness of the Offer, we are of the view that the Offer is **not fair** to the Holders because the Offer Price is significantly lower than the NA per BCB Share as compared to the slight premiums against the last transacted price, five (5)-day, one (1)-month, three (3)-month, six (6)-month VWAP of BCB Shares up to and including LTD.

4.2 Assessment of the reasonableness of the Offer

In arriving at our reasonableness recommendation for the Offer, KAF Investment has taken into consideration and evaluated the following key factors:-

(i) Listing status of BCB

It is the intention of the Offeror to maintain the listing status of BCB on the Main Market of Bursa Securities. In the event if BCB does not meet the Public Spread Requirement, the Offeror will work together with BCB to explore options to address the shortfall in Public Spread Requirement of BCB within three (3) months from the Closing Date or such dates as may be allowed by Bursa Securities, to maintain the listing status of BCB.

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

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(ii) Compulsory acquisition and rights of Dissenting Shareholders

The Offeror does not intend to invoke Section 222 of the CMSA, subject to Section 224 of the CMSA to compulsorily acquire all the remaining Offer Shares in the event the Offeror receives acceptances resulting in its shareholding of not less than nine-tenth (9/10) in nominal value of the Offer Shares (excluding shares already owned by the Offeror and its PACs as at the date of the Offer).

If a Dissenting Shareholder invokes the provisions of Section 223(1) of the CMSA for the compulsory acquisition of any remaining Offer Shares after the Offer, the Offeror will acquire such Offer Shares in accordance with the provisions of the CMSA, subject to Section 224 of the CMSA.

Please refer to Section 7.2 of Part B of this IAC for further details.

(iii) Rationale for the Offer

The Acquisition is part of Offeror's investment plan and in recognition of the growth potential of BCB. Hence, the Offeror intends to utilise its expertise and experience in property development to contribute positively to BCB.

The Offer was pursuant to Section 218(2) of the CMSA and Section 9(1), Part III of the Code. Upon completion of the Acquisition, the Offeror's equity interest in BCB has increased from approximately 32.81% to approximately 44.08%.

Please refer to Section 7.3 of Part B of this IAC for further details.

The Offer culminates from the Offeror strengthening its shareholding in BCB, reflecting the Offeror's confidence in the Company on the back of its positive prospect. The Offeror's intention to maintain the listing status and to not invoke the relevant Sections of the CMSA on compulsory acquisition will allow the shareholders of BCB to exit and realise their investments in BCB in the future. Premised on the above, we are of the view the Offer is **not reasonable**.

5.0 OFFEROR'S FUTURE PLANS FOR THE BCB GROUP

The Holders should take note on the Offeror's future plans for the BCB Group as stated in Section 7 of the Offer Document.

Please refer to Section 8 of Part B of this IAC for further details.

6.0 OUTLOOK AND PROSPECTS OF MALAYSIAN ECONOMY, THE PROPERTY SECTOR AND BCB

We note that the prospects of the Malaysian economy are expected to be positive despite the challenging global environment.

We also note that BCB has planned to focus and expand its property business in Klang Valley and Medini, Johor, as follows:

- Concerto and Home Tree, BCB's two (2) projects in Klang Valley are expected to contribute significantly to its financial performance in the FYE 30 June 2015. While Concerto's completion is expected in the second half of year 2015, the whole development of Home Tree is expected to be developed in stages over a span of the next five (5) years.

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- The acquisition in Medini is an opportunity for the BCB Group to tap into the growth in economic zone of Iskandar Malaysia, which is set to become the most developed region in Southern Peninsular Malaysia. The acquisition also signifies BCB's commitment to strengthen and grow its foothold in Johor, in addition to its existing development projects in Kluang and Batu Pahat, Johor.

In the event the business plans of BCB are implemented successfully, barring any unforeseen circumstances, the prospect of the Company is expected to be positive.

Please refer to Section 9 of Part B of this IAC for further details.

7.0 CONCLUSION AND RECOMMENDATION

7.1 Recommendation by KAF Investment

Based on our evaluation as a whole, we are of the opinion that the Offer is **NOT FAIR AND NOT REASONABLE**. Accordingly, we recommend the Holders to **REJECT** the Offer.

7.2 Recommendation by Non-Interested Directors

After careful examination of the terms and conditions of the Offer as contained in the Offer Document and after taking into the consideration the evaluation and recommendation of the Independent Adviser as contained in Part B of this IAC, the Non-Interested Directors **CONCUR** with the recommendation of the Independent Adviser and recommend the Holders to **REJECT** the Offer.

8.0 IMPORTANT DATES AND EVENT

The important dates pertaining to the Offer are as set out in the table below.

Event	Date
Date of Notice	15 June 2015
Posting of the Offer Document	6 July 2015
Unconditional Date	8 July 2015
Posting of this IAC	16 July 2015
First Closing Date ⁽¹⁾	27 July 2015

Note:-

⁽¹⁾ The Offer will open for acceptances until the First Closing Date, unless extended or revised in accordance with the Code or as the Offeror may decide and announced by PIVB, on behalf of the Offeror, at least two (2) days before the Closing Date. Notices of such extension or revision will be posted to the Holders accordingly.

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

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

PART A

LETTER FROM THE BOARD



Building Communities & Beyond

BCB BERHAD

(Company No.: 172003-W)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:-

No. 4B, 2nd & 3rd Floor
Jalan Sentol
South Wing – Kluang Parade
86000 Kluang
Johor Darul Takzim

16 July 2015

Board of Directors:-

Ash'ari Bin Ayub	<i>(Chairman/Independent Non-Executive Director)</i>
Dato' Tan Seng Leong	<i>(Group Managing Director)</i>
Datuk Seri Ismail Bin Yusof	<i>(Independent Non-Executive Director)</i>
Tan Lay Hiang	<i>(Executive Director)</i>
Tan Lindy	<i>(Executive Director)</i>
Tan Vin Sern	<i>(Executive Director)</i>
Tan Vin Shyan	<i>(Executive Director)</i>
Low Kok Yung	<i>(Executive Director)</i>
Abd Manap Bin Hussain	<i>(Independent Non-Executive Director)</i>

To: The Holders

Dear Sir/Madam,

CONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR THROUGH PIVB TO ACQUIRE THE OFFER SHARES FOR A CASH OFFER PRICE OF RM1.00 PER OFFER SHARE

1.0 INTRODUCTION

On 15 June 2015, ERSB had entered into the Acquisition which was effected via DBT. Following the Acquisition, ERSB holds 88,254,100 BCB Shares, representing approximately 44.08% of the issued and paid-up share capital of BCB (net of Treasury Shares).

PIVB, on the same date notified the Board on the statutory obligation by ERSB to extend a mandatory take-over offer in accordance with Section 218(2) of the CMSA and Section 9(1), Part III of the Code to acquire all the Offer Shares for a cash consideration of RM1.00 per Offer Share.

On 16 June 2015, the Board (save for the Interested Directors) announced that it does not intend to seek an alternative person to make a take-over offer for BCB Shares.

On 19 June 2015, BCB announced the appointment of KAF Investment as the Independent Adviser for the Offer. In accordance with Section 15(11) of the Code, KAF Investment had, on 22 June 2015 declared to the SC of its independence and eligibility to act as the Independent Adviser in relation to the Offer.

A copy of the Offer Document, which sets out the details terms of the Offer, as well as the procedures for acceptance of the Offer, had been posted to the holders on 6 July 2015.

The SC had, vide its letter dated 15 July 2015, granted its consent for the contents of this IAC. However, such consent by the SC does not indicate that the SC concurs with the views and recommendations contained in this IAC. It merely means that this IAC has complied with the disclosure requirements under the Code.

THE PURPOSE OF THIS IAC IS TO PROVIDE THE HOLDERS WITH RELEVANT INFORMATION ON THE OFFER AND TO PROVIDE YOU WITH THE NON-INTERESTED DIRECTORS' VIEWS AND RECOMMENDATION ON THE OFFER TOGETHER WITH THE RECOMMENDATION OF KAF INVESTMENT. THE HOLDERS ARE ADVISED TO READ BOTH THIS IAC AND THE OFFER DOCUMENT AND CONSIDER CAREFULLY THE RECOMMENDATIONS CONTAINED HEREIN BEFORE TAKING ANY ACTION.

2.0 SALIENT TERMS OF THE OFFER

The salient terms of the Offer are set out in Section 2 of Part B of the IAC. Please refer to Appendix II of the Offer Document for other terms and conditions of the Offer and Appendix III of the Offer Document for the procedures for acceptance and method of settlement of the Offer.

3.0 NON-INTERESTED DIRECTORS' COMMENTS

3.1 Rationale for the Offer

The Non-Interested Directors take cognisance the rationale for the Offer by the Offeror as set out in Section 3 of the Offer Document together with KAF Investment's evaluation and recommendation contained in Part B of the IAC. The Offer arises as a consequence of the Acquisition in view that the Offeror's direct shareholding in BCB had increased from approximately 32.81% to approximately 44.08% upon completion of the Acquisition.

The Board also notes that the Offeror recognise the growth potential of BCB and intends to utilise the Offeror's expertise and experience in property development to contribute positively to BCB.

3.2 The Offeror's plans for BCB Group

3.2.1 Listing status of BCB, compulsory acquisition and rights of Dissenting Shareholders

As set out in Section 5 and 6 of the Offer Document, **the Offeror intends to maintain the listing status of BCB** and will use its best endeavours to rectify the public shareholding spread in the event the public shareholding spread not met as a result of high level of acceptances being received by the Offeror pursuant to the Offer.

The Non-Interested Directors also note that, in the event the Offeror receives acceptance under the Offer of not less than nine-tenth (9/10) in nominal value of the Offer Shares (excluding BCB Shares already held by the Offeror and its PACs as at the date of the Offer) the **Offeror will not invoke the provisions of Section 222(1) of the CMSA**, subject to Section 224 of the CMSA to compulsorily acquire any remaining Offer Shares for which have not been received.

If the Offeror receives acceptances from the Holders resulting in the Offeror and the PACs holding not less than nine-tenth (9/10) in nominal value of the existing issued and paid-up share capital of BCB on or before the Closing Date, a Dissenting Shareholder may exercise his or its rights, under Section 223(1) of the CMSA, subject to Section 224 of the CMSA by serving a notice on the Offeror to require the Offeror to acquire his or its BCB Shares on the same terms as set out in the Offer Document or such other terms as may be agreed between the Offeror and such Dissenting Shareholder.

Should the Dissenting Shareholder invokes the provisions of Section 223(1) of the CMSA for the compulsory acquisition of any remaining Offer Shares after the Offer, the Offeror will acquire such Offer Shares in accordance with the provisions of the CMSA, subject to Section 224 of the CMSA. In accordance with Section 224(3) of the CMSA, when a Dissenting Shareholder exercises his or its rights under Section 223(1) of the CMSA, the court may, on application made by such Dissenting Shareholder or by the Offeror, order that the terms on which the Offeror shall acquire such Offer Shares, shall be as the court thinks fit.

3.2.2 The Offeror's future plan for the BCB Group and its employees

The Non-Interested Directors note from Section 7 of the Offer Document on the intentions of the Offeror with respect to the BCB Group within the next twelve (12) months after the closing date:-

- (i) the Offeror intends to continue with the existing business and operation of BCB and may review the business and operations of BCB Group as the Offeror considers suitable for the business operations of the BCB Group;
- (ii) there is no immediate plan by the Offeror to introduce any major changes, dispose of any major assets or undertake any major redeployment of fixed assets of the BCB Group and the Offeror does not have any plans or intentions to liquidate the Offeree; and
- (iii) the Offeror intends to continue the existing business and operations of the BCB Group as a direct consequence of the Offer but nevertheless, there will be continuous measures to improve the efficiency of the operations and optimise staff productivity of the BCB Group.

The Non-Interested Directors noted that as at the Offer Document LPD, the Offeror, the Ultimate Offeror and the PACs have no knowledge of and have not entered into any negotiation, arrangement or understanding, whatsoever with any third party with regard to any significant change in the BCB Group's businesses, assets or equity structure that are to be implemented within the next twelve (12) months from the Closing Date.

4.0 DETAILS OF ACCEPTANCES

PIVB had, on 8 July 2015, on behalf of the Offeror, served a notice on the Board informing that the Offeror had received valid acceptances in respect of the Offer, resulting in the Offeror and the PACs holding in aggregate together with such BCB Shares that are already acquired, held or entitled to be acquired or held by the Offeror and the PACs, more than 50% of the voting shares of BCB as at 5.00 p.m. (Malaysian time) on 8 July 2015 as set out below:-

	No. of BCB Shares	(i)%
BCB Shares held by the Offeror and the PACs as at the date of Despatch of the Offer Documents on Posting Date	95,676,400	47.78
BCB Shares for which acceptances under the Offer (which are complete and valid in all respects) have been received by the Offeror after the Posting Date and up to 5.00 p.m. on 8 July 2015	10,194,100	5.09
BCB Shares acquired or agreed to be acquired by the Offeror after the Posting Date and up to 5.00 p.m. on 8 July 2015	-	-
Total BCB Shares held by the Offeror and the PACs as at 8 July 2015	105,870,500	52.87
BCB Shares for which acceptances under the Offer (which are subject to verification) has been received by the Offeror after the Posting Date and up to 5.00 p.m. on 8 July 2015	-	-
	105,870,500	52.87

Note:-

- (i) Based on the issued and paid-up share capital of BCB as at 8 July 2015 of 200,232,400 BCB Shares (after excluding 6,017,600 treasury shares held by BCB).

As such, the acceptance condition of the Offer has been fulfilled and the Offer has become unconditional on 8 July 2015.

The closing date of the Offer and time for acceptances of the Offer remains on 27 July 2015 at 5.00 p.m. Save for the Unconditional Date, all other details, terms and conditions of the Offer as set out in the Offer Document shall remain unchanged.

Save for the acceptances as mentioned above, as at the LPD, there is no announcement made by PIVB, on behalf of the Offeror, of any acceptance of the Offer and to the best knowledge of the Board, no person (whose interests in the voting shares in BCB, whether direct or indirect, which are required to be disclosed under the Code) had accepted or had given an irrevocable undertaking to accept the Offer in respect of their shareholdings in BCB.

5.0 INDEPENDENT ADVISER'S LETTER

The Holders are advised to read and consider the views and recommendation of KAF Investment, the Independent Adviser appointed to advise the Non-Interested Directors and the Holders. The letter from the Independent Adviser is included in Part B of this IAC.

6.0 DISCLOSURE OF DIRECTORS' INTERESTS

The interest of the directors of BCB, direct or indirect, in BCB Shares as at the LPD are as below:-

Name	Direct		Indirect	
	No. of shares held	⁽¹⁾ % held	No. of shares held	⁽¹⁾ % held
Ash'ari Bin Ayub	-	-	-	-
Dato' Tan Seng Leong	-	-	88,254,100	⁽²⁾ 44.08
Datuk Seri Ismail Bin Yusof	-	-	-	-
Tan Lay Hiang	-	-	-	-
Tan Lindy	-	-	-	-
Tan Vin Sern	-	-	-	-
Tan Vin Shyan	-	-	-	-
Low Kok Yung	3,000	0.00	-	-
Abd Manap Bin Hussain	-	-	-	-

Notes:-

⁽¹⁾ Based on the issued and paid-up capital of 200,232,400 BCB Shares (net of Treasury Shares)

⁽²⁾ Deemed interested by virtue of his interest in ERSB pursuant to Section 6A of the Act

Save as disclosed in Section 3.2.3 of Appendix IV of the IAC, the directors of BCB have not dealt in BCB Shares during the six (6) months period prior to the commencement of the Offer Period up to the LPD.

Low Kok Yung intends to **reject** the Offer in respect of his Offer Shares.

7.0 DIRECTORS' RESPONSIBILITY STATEMENT

The Board confirms that it has seen, read and approved this IAC and individually and collectively accepts full responsibility for the accuracy of the information relating to the BCB Group contained in this IAC and after making all reasonable enquiries and to the best of our knowledge and belief confirms that:-

- (i) No statement and/or information relating to the BCB Group in this IAC is incomplete, false and/or misleading;
- (ii) There are no other facts and/or information the omission of which would render any statement or information relating to the BCB Group in this IAC incomplete, false or misleading; or
- (iii) All material facts and information in relation to the Offer, including those required under the Code, have been disclosed in this IAC.

Information in this IAC relating to the Offeror and the Offer was extracted from the Offer Document. The responsibility of the Board for the information on the Offeror and the Offer is therefore restricted to ensuring that such information are accurately reproduced in this IAC.

8.0 NON-INTERESTED DIRECTORS' RECOMMENDATION

After careful examination of the terms and conditions of the Offer as contained in the Offer Document and taking into consideration the evaluation and recommendation by KAF Investment as set out in Part B of this IAC, the Non-Interested Directors have concurred with the evaluation and recommendation of KAF Investment that the Offer is **NOT FAIR AND NOT REASONABLE** and therefore, recommend the Holders to **REJECT** the Offer.

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

THE BOARD HAS NOT TAKEN INTO CONSIDERATION ANY SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATION AND PARTICULAR NEEDS OF ANY INDIVIDUAL HOLDER OR ANY SPECIFIC GROUPS OF HOLDERS.

THE BOARD RECOMMENDS THAT HOLDERS WHO REQUIRE ADVICE IN RELATION TO THE OFFER IN THE CONTEXT OF THEIR INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS, SHOULD CONSULT THEIR RESPECTIVE STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Yours faithfully,
For and on behalf of the Board
BCB BERHAD

ASH'ARI BIN AYUB
Chairman/Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM KAF INVESTMENT

Registered Office:-

14th Floor, Chulan Tower
No. 3, Jalan Conlay
50450 Kuala Lumpur

16 July 2015

To: The Holders

Dear Sir/Madam,

CONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR THROUGH PIVB TO ACQUIRE THE OFFER SHARES FOR A CASH OFFER PRICE OF RM1.00 PER OFFER SHARE

1.0 INTRODUCTION

On 15 June 2015, ERSB acquired an aggregate of 22,553,100 BCB Shares, representing approximately 11.26% of the issued and paid-up share capital of BCB (net of Treasury Shares) for a total cash consideration of RM22,553,100 or RM1.00 per BCB Shares. The said transaction was effected via direct business transaction. Following the transaction, ERSB holds 88,254,100 BCB Shares, representing approximately 44.08% of the issued and paid-up share capital of BCB (net of Treasury Shares).

As the shareholdings of ERSB has increased from approximately 32.81% to approximately 44.08%, the Offeror is obliged to extend a mandatory take-over offer to acquire all the Offer Shares pursuant to Section 218(2) of the CMSA and Section 9(1)(a), Part III of the Code.

PIVB had, on even date, on behalf of the Offeror, served the Notice on the Board informing the Offeror's intention to undertake the Offer. On the same date, the Board had announced the receipt of the Notice, a copy of which has been sent to you together with the notification to shareholders dated 22 June 2015.

The Board (save for the Interested Directors) had, on 16 June 2015, announced that it does not intend to seek an alternative person to make a take-over offer for BCB Shares.

You should have by now received a copy of the Offer Document dated 6 July 2015, which sets out the terms and conditions of the Offer as well as the procedures for acceptance and method of settlement of the Offer. The SC had, on 15 July 2015, given its consent for the despatch of this IAC. However, such consent shall not be taken to indicate that the SC concurs with the views and recommendations of the Board and of KAF Investment as contained herein but only that this IAC has been prepared in compliance with provisions of the Code.

The purpose of this IAC is to provide the Holders with relevant information on the Offer, our independent evaluation of the terms and conditions of the Offer together with our recommendation, subject to the scope of our role and evaluation specified in this IAC. While you are relying on our evaluation in this IAC, you should also exercise your own due care and diligence before making a decision on the course of action to be taken in respect of the Offer.

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WE ADVISE YOU TO READ AND UNDERSTAND THIS IAC CAREFULLY TOGETHER WITH THE OFFER DOCUMENT, A COPY OF WHICH YOU SHOULD HAVE RECEIVED BY NOW, BEFORE TAKING ANY ACTION. THIS IAC DOES NOT CONSTITUTE THE OFFER OR ANY PART THEREOF. IF YOU HAVE ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE IN RELATION TO THE OFFER, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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

2.0 TERMS AND CONDITIONS OF THE OFFER

The salient terms and conditions of the Offer are set out below:-

2.1 Consideration of the Offer

The consideration for the Offer is RM1.00 per Offer Share which shall be satisfied wholly in cash. Notwithstanding this, if BCB declares, makes or pays any Distribution on or after the date of the Notice but prior to the Closing Date and the Holders are entitled to retain such Distribution, the Offer Price shall be reduced by an amount equivalent to the net Distribution per Offer Share which such Holder is entitled to retain.

Under such circumstances, the aggregate net amount of the Distribution received by the Accepting Holder and the Offer Price payable to the Accepting Holder shall not exceed RM1.00 per Offer Share.

2.2 Condition of the Offer

The Offer is conditional upon the Offeror receiving valid acceptances from the Holders of the Offer Shares by the Closing Date, which would result in the Offeror and its PACs holding, in aggregate with the BCB Shares that are already acquired, held or entitled to be acquired or held by the Offeror and its PACs, more than 50% of the total voting shares of BCB.

PIVB had, on 8 July 2015, on behalf of the Offeror, served a notice on the Board informing that the acceptance condition of the Offer has been fulfilled and the Offer has become unconditional on even date.

2.3 Duration of the Offer

The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) on 27 July 2015, being the First Closing Date, unless extended or revised in accordance with the Code or as the Offeror may decide and announced by PIVB, on behalf of the Offeror, at least two (2) days before the Closing Date.

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

2.4 Method of Settlement

The settlement for the Offer Shares will be effected via remittance in the form of cheque(s), banker's draft(s) and/or cashier's order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct), at the Accepting Holders' registered Malaysian addresses last maintained with Bursa Depository, in respect of valid acceptances, at their own risk, within ten (10) days from:-

- (i) the Unconditional Date if the valid acceptances are received during the period when the Offer is still conditional; or

- (ii) the date of receipt of the valid acceptances, if the valid acceptances are received during the period when the Offer has become or is declared unconditional.

Other than the Offeror's right to reduce the consideration for the Offer as set out in Section 2.1 of the Offer Document, and except with the consent of the SC which would only be granted in certain circumstances in which all the Holders would only be granted in certain circumstances in which all the Holders would be treated similarly, settlement of the consideration will be implemented in full, in accordance with the terms of the Offer without regard to any lien, right of set-off, counter claim or other analogous rights to which the Offeror may otherwise be claim to be entitled against the Accepting Holder. This, however, is without prejudice to the Offeror's right to make any claim against the Accepting Holder after such full settlement in respect of a breach of any of the warranties as set out in Section 1 of Appendix II of the Offer Document.

3.0 DETAILS OF ACCEPTANCES

PIVB had, on 8 July 2015, on behalf of the Offeror, served a notice on the Board informing that the Offeror had received valid acceptances in respect of the Offer, resulting in the Offeror and the PACs holding in aggregate together with such BCB Shares that are already acquired, held or entitled to be acquired or held by the Offeror and the PACs, more than 50% of the voting shares of BCB as at 5.00 p.m. (Malaysian time) on 8 July 2015 as set out below:-

	No. of BCB Shares	⁽ⁱ⁾ %
BCB Shares held by the Offeror and the PACs as at the date of Despatch of the Offer Documents on Posting Date	95,676,400	47.78
BCB Shares for which acceptances under the Offer (which are complete and valid in all respects) have been received by the Offeror after the Posting Date and up to 5.00 p.m. on 8 July 2015	10,194,100	5.09
BCB Shares acquired or agreed to be acquired by the Offeror after the Posting Date and up to 5.00 p.m. on 8 July 2015	-	-
Total BCB Shares held by the Offeror and the PACs as at 8 July 2015	105,870,500	52.87
BCB Shares for which acceptances under the Offer (which are subject to verification) has been received by the Offeror after the Posting Date and up to 5.00 p.m. on 8 July 2015	-	-
	105,870,500	52.87

Note:-

- (i) Based on the issued and paid-up share capital of BCB as at 8 July 2015 of 200,232,400 BCB Shares (after excluding 6,017,600 treasury shares held by BCB).

As such, the acceptance condition of the Offer has been fulfilled and the Offer has become unconditional on 8 July 2015.

The closing date of the Offer and time for acceptances of the Offer remains on 27 July 2015 at 5.00 p.m. Save for the Unconditional Date, all other details, terms and conditions of the Offer as set out in the Offer Document shall remain unchanged.

Save for the acceptances as mentioned above, as at the LPD, there is no announcement made by PIVB, on behalf of the Offeror, of any acceptance of the Offer and the Offeror has not received any irrevocable undertaking from any Holder to accept the Offer.

4.0 SCOPE AND LIMITATIONS OF KAF INVESTMENT'S EVALUATION AND OPINION

4.1 In our assessment and evaluation of the Offer, we have taken into consideration various factors which we believe are relevant and of importance to our assessment of the Offer and to form our opinion and recommendation.

4.2 We have relied on BCB, the Board and the management of BCB to provide and furnish all facts and information relating to the BCB Group, as requested by us as well as public information, for the purpose of our evaluation of the Offer. After making reasonable enquiries we are satisfied with the information and the sufficiency of the information provided and that there are no facts or information, the omission of which would make any information, document, confirmation or representation to be unreliable, inaccurate, incomplete and/or misleading, or would materially affect our evaluation, views, opinion and recommendation in this IAL.

The main sources of information to which we have relied upon for purposes of our evaluation, views, opinion and recommendation in this IAL are as follows:-

- (i) Information contained in the Notice and the Offer Document;
- (ii) Annual reports of BCB for the past four years from the FYE 30 June 2011 to the FYE 30 June 2014 and the unaudited consolidated financial statements of BCB for the FPE 31 March 2015;
- (iii) Discussions with and representations by the Board and the management of BCB;
- (iv) Other relevant information, documents, confirmation and representations furnished to us by the Board and the management of BCB; and
- (v) Other publicly available information.

4.3 We have evaluated the Offer and in rendering our recommendation or views, we have only taken into consideration pertinent matters which we believe are of general importance to the assessment of the implications of the Offer and would be of relevance and general concern to the Holders as a whole. As such, our advice as contained in the IAL is addressed to the Holders at large and not to any particular Holder.

Accordingly, in providing this advice, we have not given regard to specific investment objectives, financial objectives, financial situation and particular needs of any individual Holder or any specific group of holders who may require advice in the context of their individual investment objectives. We recommend that any individual Holder or any specific group of Holders who require specific advice within the context of his/her or their (as the case may be) individual objectives, financial situation and particular needs to consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

4.4 Our views, evaluation and recommendation as expressed in the IAL are based on the current political, economic, financial landscape and other conditions prevailing as at the LPD. After the despatch of this IAC, should we become aware of any significant change affecting the information contained in this IAC or have reasonable grounds to believe that any material statement in this IAC is misleading or deceptive or have reasonable grounds to believe that there is a material omission in this IAC, we will immediately notify the Holders. If required, a supplementary IAC will be despatched to the Holders. Our advice should be considered in the context of the entirety of this IAC.

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5.0 EVALUATION OF THE OFFER

In accordance with Paragraphs 3.1 to 3.6, Practice Note 15 of the Code, the Offer is analysed based on the fairness and reasonableness of the Offer.

Pursuant to the Practice Note 15 of the Code, in relation to a take-over offer, the term “fair and reasonable” should generally be analysed as two (2) distinct criteria, i.e. whether the offer is “fair” and whether the offer is “reasonable” rather than a composite term. A take-over offer is considered as “fair” if the offer price (or value consideration) is equal to or higher than the market price and is also equal to or higher than the value of the securities of the Offeree.

Under Paragraph 3.4, Practice Note 15 of the Code, generally, a take-over offer would be considered “reasonable” if it is fair. In considering whether the Offer is reasonable, we have also examined several factors to which the Holders may consider prior to accepting or rejecting the Offer, which includes the listing status of BCB, compulsory acquisition and rights of Dissenting Shareholders and rationale for the Offer.

Please refer to the following sections for further details pertaining to the fairness and reasonableness evaluation of the Offer:-

Fairness of the Offer

	Factors	Details in this IAL
(i)	NA per BCB Share	Section 6.1
(ii)	Historical share price analysis	Section 6.2

Reasonableness of the Offer

	Factors	Details in this IAL
(i)	Listing status of BCB	Section 7.1
(ii)	Compulsory acquisition and rights of Dissenting Shareholders	Section 7.2
(iii)	Rationale for the Offer	Section 7.3

6.0 FAIRNESS OF THE OFFER

6.1 NA per BCB Share

BCB Berhad is an investment holding company which has operation in property development and hotels. The Company, through its subsidiaries, manages and leases properties, provides project management, road construction services, and manufactures concrete products and furniture.

For the purpose of assessing the BCB Shares, we have considered the NA per BCB Share as the most suitable valuation methodology to be used for valuation of an asset-based entity such as that of a property-based company.

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	NA (RM'000)	NA per BCB Share (RM)	Discount of the NA to the Offer Price (RM)	Discount of the NA to the Offer Price (%)
Audited NA of BCB as at 30 June 2014	393,153	1.96	0.96	48.98
Unaudited NA of BCB as at 31 March 2015	420,063	*2.10	1.10	52.38

Divided by BCB's issued and paid-up share capital of 200,234,400 Shares (net of 6,015,600 treasury shares as at 30 June 2014)

* Divided by BCB's issued and paid-up share capital of 200,232,400 Shares (net of 6,017,600 treasury shares as at 31 March 2015)

We note that the latest available unaudited total NBV of the property assets (including those held for investment and under development) of BCB stood at 78.6% against the unaudited total assets of BCB as at 31 March 2015. On that note, we had initially assessed the fairness of the Offer by using the Realised Net Asset Value ("RNAV") method of valuation. However, we decided not to proceed with the RNAV method of valuation due to shortcomings in the valuation documents.

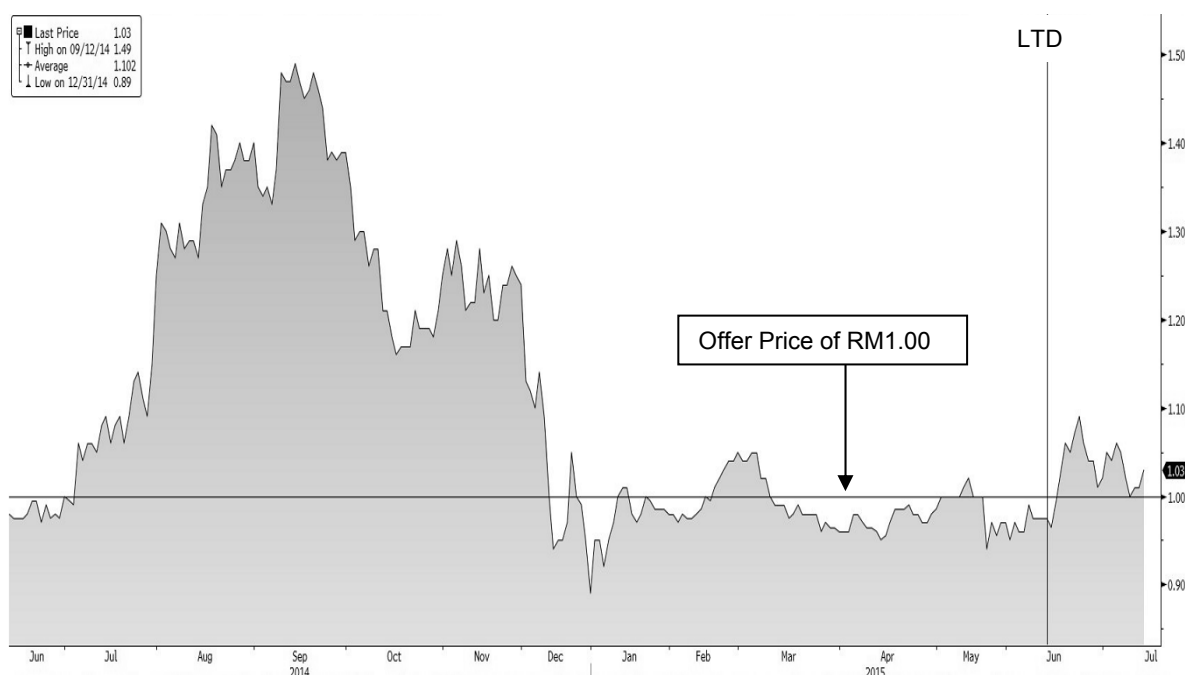
KAF Investment's comments:-

Based on the NA per BCB Share computation, the Offer Price represents a discount of RM0.96 and RM1.10 or 48.98% and 52.38% to the NA per BCB Share as at 30 June 2014 and 31 March 2015 of RM1.96 and RM2.10 respectively.

6.2 Historical market performance of BCB Shares

6.2.1 Share Price

In considering the Offer, you should take into consideration the movement of the market price and trading volume of BCB Shares on Bursa Securities. The movement in the daily closing market price and trading volume of BCB Shares for the past one (1) year up to LTD and LPD is shown in the chart below:-



(Source: Bloomberg)

Based on the above, we note that the Share Price has been moving upward from 12 June 2014 before reaching highest closing of RM1.49 recorded on 12 September 2014. The share price then has declined and traded at or close to the Offer Price until the announcement of the Notice.

We are not aware of any particular reasons which might have led to the upward and downward movements of the BCB Shares for the past one (1) year. However, we note the following announcements made to Bursa Securities:-

No.	Date	Events
(i)	29 August 2014	<ul style="list-style-type: none"> Fourth quarter results for the FYE 30 June 2014 Announcement in relation to the First and Final Single Tier Dividend of RM0.03 per share in respect of the financial year ended 30 June 2014
(ii)	25 November 2014	<ul style="list-style-type: none"> Annual Report 2014 Entitlements (Notice of Book Closure) for the first and final dividend for the FYE 30 June 2014
(iii)	27 November 2014	<ul style="list-style-type: none"> First quarter results for the FPE 30 September 2014 Announcement on the Notice Of Book Closure in relation to the First and Final Single Tier Dividend of RM0.03 per share in respect of the FYE 30 June 2014
(iv)	7 January 2015	<ul style="list-style-type: none"> Completion of the proposed joint venture between BCB and United Harvest Group Company Limited (UHG) via BCB Heights Sdn Bhd, a wholly-owned subsidiary company of BCB and acquisition of a land in Medini, Johor
(v)	12 February 2015	<ul style="list-style-type: none"> Second quarter results for the FPE 31 December 2014
(vi)	4 March 2015	<ul style="list-style-type: none"> Announcement in relation to the signing of Memorandum of Understanding between the Company and HELP University Sdn Bhd
(vii)	27 May 2015	<ul style="list-style-type: none"> Third quarter results for the FPE 31 March 2015
(viii)	15 June 2015	<ul style="list-style-type: none"> Receipt of the Notice

Based on the chart above, we note the Offer Price represents the following:-

- (i) Highest closing price (12 September 2014) - RM1.49 - discount of RM0.49 or 32.89% to the highest closing price;
- (ii) Lowest closing price (31 December 2014) - RM0.89 - premium of RM0.11 or 12.36% to the lowest closing price;

The premium/(discount) represented by the Offer Price vis-a-vis the relevant VWAP of BCB Shares are as follows:-

	Market price of BCB Shares (RM)	Premium/(Discount) of the Offer Price to the prevailing market price (RM) %	
Last transacted price as at the LTD	0.975	0.025	2.56
Five (5)-day VWAP up to and including the LTD	0.974	0.026	2.67
One (1)-month VWAP up to and including the LTD	0.974	0.026	2.67

	Market price of BCB Shares (RM)	Premium/(Discount) of the Offer Price to the prevailing market price	
		(RM)	%
Three (3)-month VWAP up to and including the LTD	0.977	0.023	2.35
Six (6)-month VWAP up to and including the LTD	0.985	0.015	1.52
One (1)-year VWAP up to and including the LTD	1.231	(0.231)	(18.77)
VWAP from the LTD up to the LPD	1.020	(0.020)	(1.96)
Last transacted price as at the LPD	1.030	(0.030)	(2.91)

(Source: Bloomberg)

Based on the table above, we noted the following:-

- (i) the Offer Price represents a **premium** ranging between 1.52% to 2.67% against the last transacted price, five (5)-day, one (1)-month, three (3)-month and six (6)-month VWAP of BCB Shares up to and including the LTD;
- (ii) the Offer Price represents a **discount** of 18.77% against the one (1)-year VWAP of BCB Shares up to and including the LTD; and
- (iii) the Offer Price represents a **discount** of 1.96% and 2.91% against the VWAP between the LTD up to and including LPD and the last transacted date as at the LPD respectively.

KAF Investment's comments:-

The Offer Price represents a range of premiums ranging between 1.52% to 2.67% against the last transacted price, five (5)-day, one (1)-month, three (3)-month, six (6)-month VWAP up to and including the LTD.

However, the Offer Price represents a discount of 18.77% over the one (1)-year VWAP. Such discount presents an unattractive offer to investors of BCB to realise investment in BCB Shares.

Based on the overall assessment on the fairness of the Offer, we are of the view that the Offer is **not fair** to the Holders because the Offer Price is significantly lower than the NA per BCB Share as at 30 June 2014 and 31 March 2015 as compared to the slight premiums against the last transacted price, five (5)-day, one (1)-month, three (3)-month, six (6)-month VWAP of BCB Shares up to and including LTD.

7.0 REASONABLENESS OF THE OFFER

7.1 Listing status of BCB

Under paragraph 8.02(1) of the Listing Requirements, a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. Bursa Securities may accept a percentage lower than 25% of the total number of listed shares (excluding treasury shares) if it is satisfied that such lower percentage is sufficient for a liquid market in such shares.

A listed issuer which fails to maintain the required Public Spread Requirement may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. Where no extension of time is granted by Bursa Securities, Bursa Securities may take or impose any type of action or penalty pursuant to Paragraph 16.19 of the Listing

Requirements for a breach of Paragraph 8.02(1) of the Listing Requirements and may, in its discretion, suspend trading in the securities of the listed issuer pursuant to Paragraph 16.02(1) of the Listing Requirements. Notwithstanding this, the non-compliance with the Public Spread Requirement would not automatically result in the delisting of BCB from the Official List.

In relation to a take-over offer for the acquisition of the listed shares of a listed issuer pursuant to the Code, upon 90% or more of the listed shares (excluding treasury shares) of the said listed issuer being held by a shareholder either individually or jointly with the associates of the shareholder, an immediate announcement must be made by the listed issuer. Upon such announcement, Bursa Securities shall:-

- (i) in the case where the Offeror does not intend to maintain the listing status, suspend the trading in the listed issuer's securities immediately upon the expiry of five (5) Market Days from the date of the immediate announcement; or
- (ii) in the case where the Offeror intends to maintain the listed issuer's listing status, suspend the trading in the listed issuer's securities immediately upon the expiry of thirty (30) Market Days from the date of immediate announcement. The suspension will only be uplifted upon full compliance with the required Public Spread Requirement or as may be determined by Bursa Securities.

We note that the Offeror has stated in Section 5 of the Offer Document that it **is the intention of the Offeror to maintain the listing status of BCB.**

Accordingly, in the event that the Offeree cannot meet the Public Spread Requirement as a result of acceptances received under the Offer, the Offeror will use its best endeavor to rectify the public shareholding spread of the Offeree within three (3) months from the Closing Date (or such dates as may be allowed by Bursa Securities). In addition, the Offeror will use its best endeavor to procure the Offeree to explore all possible options to rectify the public shareholding spread of the Offeree. Where necessary, the actual course of action to be undertaken will depend on, among others, the circumstances as well as the prevailing market conditions at the relevant time. Nevertheless, Holders should note that the ability of the Offeror to rectify any shortfall in the public shareholding spread of the Offeree shall be subject to market vagaries and the approval of the relevant regulatory authorities, where applicable. Therefore, while the Offeror intends to rectify the shortfall in the public shareholding spread of the Offeree, there can be no assurance that they will be able to do so within the timeframe allowed by the relevant authorities or that the relevant authorities will grant any further extension of time.

7.2 Compulsory acquisition and rights of Dissenting Shareholders

Section 222(1) of the CMSA provides that, subject to Section 224 of the CMSA, where a take-over offer by an offeror to acquire all the shares in an offeree has, within four (4) months after making the take-over offer, been accepted by the holders of not less than nine-tenths (9/10) in the nominal value of those shares (excluding shares already held at the date of the take-over offer by the offeror or persons acting in concert), the offeror may, at any time within two months from the date the nine-tenths (9/10) in the nominal value of those shares have been achieved, give notice in the manner prescribed by the Code to any Dissenting Shareholder that it desires to acquire his or its shares together with a copy of a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied.

If the Offer has been accepted by the Holders of not less than nine-tenths (9/10) in the nominal value of the Offer Shares, **the Offeror does not intend to invoke the provisions of Section 222(1) of the CMSA, subject to Section 224 of the CMSA** to compulsorily acquire any remaining Offer Shares for which valid acceptances have not been received.

Notwithstanding the above, if the Offeror receives acceptances from the Holders resulting in the Offeror and the PACs holding not less than nine-tenths (9/10) in nominal value of the

existing issued and paid-up share capital of BCB on or before the Closing Date, a Dissenting Shareholder may exercise his or its rights, under Section 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his or its BCB Shares on the same terms as set out in the Offer Document or such other terms as may be agreed between the Offeror and such Dissenting Shareholder.

If a Dissenting Shareholder invokes the provisions of Section 223(1) of the CMSA for the compulsory acquisition of any remaining Offer Shares after the Offer, the Offeror will acquire such Offer Shares in accordance with the provisions of the CMSA, subject to the provisions of Section 224 of the CMSA. In accordance with Section 224(3) of the CMSA, when a Dissenting Shareholder exercises his or its rights under Section 223(1) of the CMSA, the court may, on application made by such Dissenting Shareholder or by the Offeror, order that the terms on which the Offeror shall acquire such Offer Shares, shall be as the court thinks fit.

KAF Investment's comments:-

The Offeror **intends to maintain the listing status of BCB** on the Main Market of Bursa Securities, hence the BCB Shares will remain traded on the Official List of Bursa Securities. In the event that BCB cannot meet the Public Spread Requirement as a result of the Offer, the Offeror will use its best endeavours to rectify the public shareholding spread of BCB within three (3) months from the Closing Date (or such date as may be allowed by Bursa Securities).

However, we also note that there is no assurance that the above possible measures to address the shortfall in Public Spread Requirement will be executed within the stipulated time frame as allowed by Bursa Securities or that Bursa Securities will grant further extensions of time to address such shortfall. In the event that BCB is unable to address the Public Spread Requirement, BCB may be suspended from trading on the Official List of Bursa Securities and this may affect Holders' ability to realise their investment in BCB Shares which will not be traded until the upliftment of suspension upon full compliance with the required Public Spread Requirement.

We note that in the event the Offeror receives acceptance of not less than nine-tenths (9/10) in the nominal value of the Offer Shares, subject to Section 224 of the CMSA, the Offeror **does not intend to invoke Section 222(1) of the CMSA, subject to Section 224 of the CMSA, to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received.** We wish to advise that if you have become entitled to exercise your rights under Section 223(1) of the CMSA, you should consult your legal adviser immediately upon the closing of the Offer.

7.3 Rationale for the Offer

The Acquisition is part of Offeror's investment plan and in recognition of the growth potential of BCB. Hence, the Offeror intends to utilise its expertise and experience in property development to contribute positively to BCB.

The Offer was pursuant to Section 218(2) of the CMSA and Section 9(1), Part III of the Code. Upon completion of the Acquisition, the Offeror's equity interest in BCB has increased from approximately 32.81% to approximately 44.08%.

KAF Investment's comments:-

Holdings should note that the Offer culminates from the Offeror increasing its shareholding to over 33% in BCB. The additional investment by the Offeror in BCB reflects the Offeror's confidence and commitment in the growth potential of BCB.

Overall, the Offer culminates from the Offeror strengthening its shareholding in BCB. It reflects the Offeror's confidence in the Company given its positive prospect. The Offeror's intention to maintain the listing status and to not invoke the relevant Sections of the CMSA

on compulsory acquisition will allow the shareholders of BCB to exit and realise their investments in BCB in the future. Premised on the above, we are of the view the Offer is **not reasonable**.

8.0 OFFEROR'S FUTURE PLANS FOR THE BCB GROUP

We note the intention of the Offeror in relation to the future plans for the BCB Group and its employees for the period of twelve (12) months after the Closing Date as stated in Section 7 of the Offer Document.

KAF Investment's comments:-

We note that the Offeror does not have any plans to liquidate BCB and have no intention of procuring the BCB Group to discontinue with its existing businesses and operations for the next twelve (12) months after the Closing Date. We also note that the Offeror has no plans to dismiss or make redundant the employees of the BCB Group as a consequence of the Offer.

9.0 OUTLOOK AND PROSPECTS OF THE MALAYSIAN ECONOMY, THE PROPERTY SECTOR AND BCB

9.1 Overview and prospects of the Malaysian economy

The next five years is expected to be challenging with continued uncertainties in the global economy, particularly given the prospect of low prices for crude oil and other major commodities, and the risk of a slowdown in the economies of major trading partners. On the domestic front, there needs to be greater resolve to boost productivity to drive economic growth; strengthen the fiscal position while ensuring adequate public funding to support continued economic expansion; and raise the average income and share of total income of the bottom 40% household income group (B40 households) to become truly inclusive.

The Eleventh Plan also opens up new opportunities, particularly with the establishment of the ASEAN Economic Community (AEC) of more than 600 million people in a single market, which will be a boost to trade and investment. Domestically, Malaysia will exploit its demographic dividend of a young and growing population with a median age of around 30 and a working age population of close to 70% to accelerate growth. Malaysia's multi-racial and multicultural society is another unique asset, which has yet to be exploited to its fullest in terms of its natural affiliation with Islamic nations, the People's Republic of China, India, and as a rich tourist attraction.

During the Eleventh Plan, real Gross Domestic Product ("GDP") is targeted to expand between 5%-6% per annum. The Gross National Income ("GNI") per capita is expected to reach USD15,690 (RM54,100) and therefore exceed the USD15,000 minimum threshold of a high-income economy. The Eleventh Plan is expected to create 1.5 million jobs by 2020, with targeted improvements in labour productivity through the continuous shift from labour-intensive to knowledge- and innovation-based economic activities. Growth will be driven by the private sector with private investment expanding at 9.4% per annum. All economic sectors will witness strong growth with the manufacturing and services sectors contributing more than 75% of GDP. The external sector is also expected to contribute positively with recovery in exports and the current account of the balance of payments is projected to remain in surplus at 2.6% of GNI. The Malaysian Government fiscal position is expected to consolidate further and achieve a balanced budget by 2020. Inflation is expected to remain benign, below 3%, and the economy is anticipated to maintain full employment.

Malaysia's economic fundamentals will be strengthened to achieve sustainable growth by ensuring stable prices and exchange rates, and an adequate level of savings as a source of investible resources. The Malaysian Government will also promote private consumption, as well as private investment in agriculture, manufacturing, and services to spearhead

economic growth, and increase exports by improving product competitiveness, promoting services exports, and diversifying markets. More prudent fiscal management will be introduced to enhance fiscal flexibility, and measures will be undertaken to unlock the potential of productivity to ensure sustainable and inclusive growth.

(Source: Eleventh Malaysia Plan, 2016-2020)

9.2 Overview and prospects of the property sector

The performance of overall property market made a marginal rebound from 10.9% contraction recorded in 2013. A total of 384,060 transactions worth RM162.97 billion were recorded, indicating a marginal increase of 0.8% in volume and 7.0% in value.

The residential sub-sector led the overall property market, with 64.4% contribution. This was followed by agricultural sub-sector (18.8%), commercial (9.3%), development land (5.5%) and industrial (2.1%). In terms of value, residential took the lead with 50.4% share, followed by commercial (19.5%), development land (13.3%), industrial (8.9%) and agricultural (7.8%).

Volume of transactions across the sub-sectors showed insignificant movements. Residential, commercial and agricultural sub-sectors recorded growths of 0.4%, 3.6% and 2.0% respectively while industrial and development land sub-sectors each recorded a slight downturn of 3.8% and 1.9% respectively against 2013. Value of transactions moved independently with residential, industrial and development land sub-sectors recorded double-digit growth of 13.9%, 17.7% and 13.5% respectively whereas commercial and agricultural sub-sectors recorded downfall of 10.5% and 4.3% respectively.

(Source: Press Release dated 14 April 2015 of Malaysian Property Market 2014 by the Valuation and Property Services Department, Ministry of Finance Malaysia)

9.3 Overview and prospects of BCB

Despite the cooling measures initiated by the Malaysian Government and Bank Negara Malaysia such as increasing the Real Property Gains Tax Act, 1976 and tightening bank lending regulations to curb speculative activities in the property market and the recent weak market sentiment as a result of slumping global crude oil prices, the Board is optimistic of the Group's performance for the FYE 30 June 2015, mainly backed by contributions of its two (2) main Klang Valley projects:-

- (i) Concerto North Kiara in Kuala Lumpur ("Concerto"): A high-end condominium project consisting of three (3) tower blocks with a total of 440 units and bearing a total GDV of approximately RM575 million. It is earmarked for completion in year 2015. To date, the Group received encouraging response from the launching of all three (3) towers with the take up rate of approximately 66% and the revenue recorded of more than RM380 million.
- (ii) Home Tree in the vicinity of Kota Kemuning, Shah Alam, Selangor ("Home Tree"): This development on 151 acres of land will comprise more than 400 units of high-end bungalows and a similar number of commercial units bearing a total GDV of approximately at least RM1.8 billion. It is earmarked for completion estimated in five (5) years. To date, the Group received encouraging response from the launching of phase 1 with the take up rate of approximately 92% and the revenue recorded of more than RM260 million.

BCB had, on 7 January 2015 announced the completion of an acquisition of seven (7) contiguous parcels of residential development land located within Zone A, Medini Iskandar, Mukim of Pulai, District of Johor Bahru, State of Johor Darul Takzim with GDV of approximately RM1.20 billion. The said acquisition is expected to contribute positively to the BCB Group's performance.

Medini is a Special Economic Zone whereby developers are exempted from Corporate Tax. To get the tax exemption, a developer has to be given an "Approved Developers Status" by Iskandar Regional Development Authority (IRDA), in which BCB has in place already. To date, 10% of Phase 1 of the Medini project has been sold.

In addition to Medini, BCB is the largest developer in both Batu Pahat and Kluang. Batu Pahat and Kluang are the second and third largest towns in Johor after Johor Bahru. In Batu Pahat, BCB holds approximately 60% of the market share via our 3 big townships, namely, Taman Bukit Perdana, Evergreen Heights and Bandar Putera Indah. Besides that, BCB is also the owner of the biggest hotel in Kluang called Prime City Hotel as well as the Kluang Parade.

(Source: Management of BCB)

KAF Investment's comments:-

We note that the prospects of the Malaysian economy are expected to be positive despite the challenging global environment.

We also note that BCB has planned to focus and expand its property business in Klang Valley and Medini, Johor, as follows:

- Concerto and Home Tree, BCB's two (2) projects in Klang Valley are expected to contribute significantly to its financial performance in the FYE 30 June 2015. While Concerto's completion is expected in the second half of year 2015, the whole development of Home Tree is expected to be developed in stages over a span of the next five (5) years.
- The acquisition in Medini is an opportunity for the BCB Group to tap into the growth in economic zone of Iskandar Malaysia, which is set to become the most developed region in Southern Peninsular Malaysia. The acquisition also signifies BCB's commitment to strengthen and grow its foothold in Johor, in addition to its existing development projects in Kluang and Batu Pahat, Johor.

In the event the business plans of BCB are implemented successfully, barring any unforeseen circumstances, the prospect of the Company is expected to be positive.

10.0 OTHER COMPETING OFFER

As at the LPD, save for the Offer from the Offeror, the Board has not received any competing offer for BCB Shares nor any other offer to acquire the assets and liabilities of BCB. Furthermore, as announced on 16 June 2015, the Board (save for the Interested Directors) decided not to seek an alternative person to make a take-over offer for the Offer Shares.

11.0 FURTHER INFORMATION

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

12.0 CONCLUSION AND RECOMMENDATION

You should consider carefully the terms and conditions of the Offer based on all relevant and pertinent factors including those which are as set out above, and other considerations as set out in this IAC, the Offer Document and any other publicly available information.

In arriving at our conclusion and recommendation, we have considered the fairness and reasonableness of the Offer based on all relevant and pertinent factors including those which are as set out above and the summary below is the pertinent factors which you should consider carefully prior to making a decision whether to accept or reject the Offer.

Assessment of the fairness of the Offer

No.	Item	Assessment
1.	NA per BCB Share	We note that the Offer Price or RM1.00 per BCB Share represents a discount of RM0.96 and RM1.10 or 48.98% and 52.38% to the NA per BCB Share as at 30 June 2014 and 31 March 2015 of RM1.96 and RM2.10 respectively.
2.	Historical share price analysis	The Offer Price represents a range of premiums ranging between 1.52% to 2.67% against the last transacted date, one (1)-month, three (3)-month, six (6)-month VWAP up to and including the LTD. However, the Offer Price represents a discount of 18.77% over the one (1)-year VWAP. Such discount presents an unattractive offer for investors of BCB to realise investment in BCB Shares.

Assessment of the reasonableness of the Offer

No.	Item	Assessment
1.	Listing status of BCB	It is the intention of the Offeror to maintain the listing status of BCB on the Main Market of Bursa Securities. In the event if BCB does not meet the Public Spread Requirement, the Offeror will work together with the Company to explore options to address the shortfall in Public Spread Requirement of BCB within three (3) months from the Closing Date or such dates as may be allowed by Bursa Securities, to maintain the listing status of BCB.
2.	Compulsory acquisition and rights of Dissenting Shareholders	In the event the Offeror receives acceptance of not less than nine-tenths (9/10) in the nominal value of the Offer Shares, the Offeror does not intend to invoke Section 222(1) of the CMSA, subject to Section 224 of the CMSA to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received.
3.	Rationale for the Offer	The Offer made by the Offeror to increase its shareholding to over 33% in BCB reflects Offeror's confidence in the potential of BCB.

We are of the view that the consideration of both the NA per BCB Share and the historical share price of BCB shows that the Offer Price is not fair. The Offer Price is significantly lower than the NA per BCB Share as compared to the slight premiums against the last transacted price, five (5)-day, one (1)-month, three (3)-month, six (6)-month VWAP of BCB Shares up to and including LTD. The Offer culminates from the Offeror strengthening its shareholding in BCB. Given the Offeror's confidence in the Company, its positive prospect plus the Offeror's intention to maintain the listing status and does not intend to invoke Section in CMSA on compulsory acquisition, we are of the view the Offer is not reasonable. Based on the above and our evaluation as a whole, we are of the view the Offer is **NOT FAIR** and **NOT REASONABLE** to the holders. As such, we recommend that the Holders **REJECT** the Offer.

Given the factors as stated above, the decision to be made would rest on the individual risk appetite and specific requirements of the Holder. Holders should also be mindful that there may be continuous fluctuations in the market prices of BCB Shares. As such, Holders are advised to closely monitor the market prices and information/announcement(s) in relation to the Offer before making a decision.

Yours faithfully
For and on behalf of
KAF INVESTMENT BANK BERHAD

ROHAIZAD ISMAIL
Chief Executive Officer

AHMAD FAZLEE AZIZ
Director
Corporate Finance

INFORMATION ON BCB

1. HISTORY AND PRINCIPAL ACTIVITIES

BCB Berhad was incorporated in Malaysia as a private limited company on 13 July 1988 under the name of Kemajuan Buditama Sdn Bhd. Subsequently, Kemajuan Buditama Sdn Bhd changed its name to BCB Sdn Bhd on 24 July 1995. On 21 August 1995, the Company was converted into the public company and assumed its present name of BCB Berhad. BCB Berhad was subsequently listed on the Main Board of Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 3 December 1996.

The principal activities of BCB consist of investment holding, property development and hotel operations.

The principal activities of the subsidiary companies of BCB are detailed in Section 5 of the Appendix I.

2. SHARE CAPITAL

The authorised and issued and paid-up share capital of BCB as at the LPD are as follows:-

Ordinary shares	No. of shares	Par value (RM)	Total (RM)
Authorised	500,000,000	1.00	500,000,000
Issued and fully paid-up	* 206,250,000	1.00	206,250,000

Note:-

* Including the Treasury Shares

3. SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders, the substantial shareholders of BCB and their shareholdings in BCB as at LPD are as follows:-

	As at the LPD			
	Direct		Indirect	
	No. of shares held	⁽¹⁾ % held	No. of shares held	⁽¹⁾ % held
ERSB	88,254,100	44.08	-	-
Dato' Tan Seng Leong	-	-	88,254,100	⁽²⁾ 44.08
Datin Lim Sui Yong	-	-	88,254,100	⁽³⁾ 44.08
Effective Strategy Sdn Bhd	19,304,500	9.64	-	-
Chan Toong Kit	-	-	19,304,500	⁽⁴⁾ 9.64
Chong Shiung Foh	-	-	19,304,500	⁽⁴⁾ 9.64

Notes:-

⁽¹⁾ Based on the issued and paid-up capital of 200,232,400 BCB Shares (net of Treasury Shares).

⁽²⁾ Deemed interested by virtue of his interest in ERSB pursuant to Section 6A of the Act.

⁽³⁾ Deemed interested by virtue of her spouse, Dato' Tan's interest in ERSB pursuant to Section 6A of the Act.

⁽⁴⁾ Deemed interested by virtue of his interest in Effective Strategy Sdn Bhd pursuant to Section 6A of the Act.

INFORMATION ON BCB

4. DIRECTORS AND THEIR SHAREHOLDINGS

The Directors of BCB, all of whom are Malaysians and their respective shareholdings in BCB as at LPD are as follows:-

Name/(Designation)	As at the LPD			
	Direct		Indirect	
	No. of shares held	⁽¹⁾ % held	No. of shares held	⁽¹⁾ % held
Ash'ari Bin Ayub (Chairman/Independent Non-Executive Director)	-	-	-	-
Dato' Tan Seng Leong (Group Managing Director)	-	-	88,254,100	⁽²⁾ 44.08
Datuk Seri Ismail Bin Yusof (Independent Non-Executive Director)	-	-	-	-
Tan Lay Hiang (Executive Director)	-	-	-	-
Tan Lindy (Executive Director)	-	-	-	-
Tan Vin Sern (Executive Director)	-	-	-	-
Tan Vin Shyan (Executive Director)	-	-	-	-
Low Kok Yung (Executive Director)	3,000	0.00	-	-
Abd Manap Bin Hussain (Independent Non-Executive Director)	-	-	-	-

Notes:-

⁽¹⁾ Based on the issued and paid-up capital of 200,232,400 BCB Shares (net of Treasury Shares)

⁽²⁾ Deemed interested by virtue of his interest in ERSB pursuant to Section 6A of the Act

5. SUBSIDIARY AND ASSOCIATED COMPANIES

The subsidiary companies of BCB as at the LPD are as follows:-

Name of company	Country of incorporation	Equity interest	Principal activities
Johbase Development Sdn Bhd	Malaysia	100%	Property development and letting of properties
BCB Management Sdn Bhd	Malaysia	100%	Provision of project management services
BCB Construction Sdn Bhd	Malaysia	100%	Provision of project construction services
BCB Concrete Sdn Bhd	Malaysia	100%	Manufacturing of concrete products
BCB Road Builder Sdn Bhd	Malaysia	100%	Provision of road construction services

INFORMATION ON BCB

Name of company	Country of incorporation	Equity interest	Principal activities
BCB Resources Sdn Bhd	Malaysia	100%	Property development
BCB Land Sdn Bhd	Malaysia	100%	Property development
BCB Trading Sdn Bhd	Malaysia	100%	Trading of building materials
BCB Furniture Sdn Bhd	Malaysia	100%	Dormant
Golden Power Construction Sdn Bhd	Malaysia	100%	Dormant
BCB Development Sdn Bhd	Malaysia	70%	Property development and letting of properties
BCB Technologies Sdn Bhd	Malaysia	100%	Dormant
Laser Lagun Sdn Bhd	Malaysia	100%	Dormant
Luna Starcity Sdn Bhd	Malaysia	100%	Dormant
Global Earnest Sdn Bhd	Malaysia	86.6%	Property development
BCB Heights Sdn Bhd	Malaysia	60%	Property development
<u>Subsidiary of BCB Development Sdn Bhd</u>			
Total Builder Generation Sdn Bhd	Malaysia	100%	Engaged in the business of general construction

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

6. PROFIT AND DIVIDEND RECORD

The consolidated audited results of BCB for the past five (5) FYE 30 June 2010 to FYE 30 June 2014 as follows:-

	Audited FYE 30 June				
	2010 (RM'000)	2011 (RM'000)	2012 (RM'000)	2013 (RM'000)	2014 (RM'000)
Revenue	91,074	118,560	123,890	164,578	281,945
PBT	3,625	9,911	12,300	20,924	43,807
Taxation	(1,504)	(3,929)	(4,567)	(4,822)	(11,294)
PAT	2,121	5,982	7,733	16,102	32,513
No. of BCB Shares in issue ('000)	206,250	206,250	206,250	206,250	206,250
NA	325,104	330,291	344,884	360,985	393,153
NA per share (RM)	1.58	1.60	1.67	1.75	1.91

INFORMATION ON BCB

Total borrowings	130,665	194,266	304,326	341,791	334,588
Gearing ratio (times)	0.40	0.59	0.88	0.95	0.85
Basic EPS (sen)	1.05	2.98	3.99	7.89	15.33
Gross dividend per share (sen)	-	-	-	-	3.00

7. STATEMENT OF ASSETS AND LIABILITIES

The consolidated audited statement of assets and liabilities of BCB for the past five (5) FYE 30 June 2010 to FYE 30 June 2014 as follows:-

	As at 30 June	
	2014 (RM'000)	2013 (RM'000)
NON-CURRENT ASSETS		
Property, plant and equipment	65,521	65,190
Investment properties	25,849	24,876
Land held for property development	83,263	96,766
Investment in subsidiaries	-	-
Deferred tax assets	-	44
	174,633	186,876
CURRENT ASSETS		
Property development costs	509,824	446,990
Inventories	62,049	65,184
Trade and other receivables	117,182	59,433
Current tax assets	1,686	1,924
Cash and bank balances	21,885	22,454
	718,626	595,985
TOTAL ASSETS	893,259	782,861
EQUITY AND LIABILITIES		
Attributable to equity holders of the company		
Share capital	206,250	206,250
Treasury shares	(3,116)	(3,115)
Revaluation reserves	6,788	6,788
Retained earnings	174,336	144,245
	384,258	354,168
Non-controlling interests	8,895	6,816
TOTAL EQUITY	393,153	360,984
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	154,252	164,125
Deferred tax liabilities	909	3,253
	155,161	167,378

INFORMATION ON BCB

	As at 30 June	
	2014 (RM'000)	2013 (RM'000)
CURRENT LIABILITIES		
Trade and other payables	157,500	75,018
Borrowings	180,336	177,666
Current tax liabilities	7,109	1,815
	344,945	254,499
TOTAL LIABILITIES	500,106	421,877
TOTAL EQUITY AND LIABILITIES	893,259	782,861

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INFORMATION ON THE OFFEROR

The information in this Appendix II has been extracted from the Offer Document. The Offer Document LPD is defined as at 30 June 2015.

1. HISTORY AND PRINCIPAL ACTIVITIES

ERSB was incorporated in Malaysia as a private limited company under the Act on 6 March 2012 under its present name.

The principal activity of ERSB is investment holding.

2. SHARE CAPITAL

The authorised and issued and paid-up share capital of ERSB as at the Offer Document LPD is as follows:-

	No. of shares	Par value RM	Amount RM
Authorised			
Ordinary shares	1,000,000	1.00	1,000,000
Issued and paid-up			
Ordinary shares	10,000	1.00	10,000

3. SHAREHOLDERS

The shareholders of ERSB and their respective shareholdings in ERSB as at the Offer Document LPD are as follows:-

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Dato' Tan	Malaysian	6,999	69.99	3,000	30.00 [*]
Datin Lim	Malaysian	500	5.00	9,499	94.99 [#]
Tan Vin Sern	Malaysian	1,000	10.00	-	-
Tan Vin Shyan	Malaysian	1,000	10.00	-	-
Tan Lindy	Malaysian	500	5.00	-	-
Law Wei Hong	Malaysian	1	0.01	-	-

Notes:-

- * Deemed interested by virtue of:
- (a) his spouse, Datin Lim's shareholding in ERSB – 500 (5.00%);
 - (b) his son, Tan Vin Sern's shareholding in ERSB – 1,000 (10.00%);
 - (c) his son, Tan Vin Shyan's shareholding in ERSB – 1,000 (10.00%); and
 - (d) his daughter, Tan Lindy's shareholding in ERSB – 500 (5.00%).

- # Deemed interested by virtue of:
- (a) her spouse, Dato' Tan's shareholding in ERSB – 6,999 (69.99%);
 - (b) her son, Tan Vin Sern's shareholding in ERSB – 1,000 (10.00%);
 - (c) her son, Tan Vin Shyan's shareholding in ERSB – 1,000 (10.00%); and
 - (d) her daughter, Tan Lindy's shareholding in ERSB – 500 (5.00%).

INFORMATION ON THE OFFEROR

4. BOARD OF DIRECTORS

The particulars of the directors of ERSB and their respective shareholdings in ERSB as at the Offer Document LPD are as follows:-

Name	Nationality	<----- Direct ----->		<----- Indirect ----->	
		No. of shares	%	No. of shares	%
Dato' Tan	Malaysian	6,999	69.99	3,000	30.00*
Datin Lim	Malaysian	500	5.00	9,499	94.99#
Tan Vin Sern	Malaysian	1,000	10.00	-	-
Tan Vin Shyan	Malaysian	1,000	10.00	-	-
Tan Lindy	Malaysian	500	5.00	-	-
Law Wei Hong	Malaysian	1	0.01	-	-

Notes:-

* Deemed interested by virtue of:

- (a) his spouse, Datin Lim's shareholding in ERSB – 500 (5.00%);
- (b) his son, Tan Vin Sern's shareholding in ERSB – 1,000 (10.00%);
- (c) his son, Tan Vin Shyan's shareholding in ERSB – 1,000 (10.00%); and
- (d) his daughter, Tan Lindy's shareholding in ERSB – 500 (5.00%).

Deemed interested by virtue of:

- (a) her spouse, Dato' Tan's shareholding in ERSB – 6,999 (69.99%);
- (b) her son, Tan Vin Sern's shareholding in ERSB – 1,000 (10.00%);
- (c) her son, Tan Vin Shyan's shareholding in ERSB – 1,000 (10.00%); and
- (d) her daughter, Tan Lindy's shareholding in ERSB – 500 (5.00%)

5. DETAILS OF PURCHASES OF ERSB'S OWN VOTING SHARES, VOTING RIGHTS OR CONVERTIBLE SECURITIES

There have been no purchases of ERSB's own voting shares, voting rights or convertible securities during the period commencing six (6) months prior to the beginning of the Offer Period and ending on the Offer Document LPD.

6. SUBSIDIARY AND ASSOCIATED COMPANIES

ERSB does not have any subsidiary or associated company.

7. PROFIT AND DIVIDEND RECORD

Since ERSB was incorporated on 6 March 2012, it has been dormant prior to the Acquisition. There is no historical profit and dividend record available.

8. STATEMENT OF ASSETS AND LIABILITIES

Since ERSB was incorporated on 6 March 2012, it has been dormant prior to the Acquisition. There is no historical statement of assets and liabilities available.

INFORMATION ON THE ULTIMATE OFFEROR

The information in this Appendix III has been extracted from the Offer Document. The Offer Document LPD is defined as at 30 June 2015.

1. **NAME** : Dato' Tan Seng Leong
2. **ADDRESS** : No. 2, Jalan 3/11, Taman Sri Kluang
86000 Kluang Johor Darul Takzim
3. **DATE OF BIRTH** : 20 March 1956
4. **PLACE OF BIRTH** : Malaysia
5. **CITIZENSHIP** : Malaysian

6. BACKGROUND INFORMATION OF DATO' TAN

Dato' Tan, aged 59, a Malaysian, is a director and a shareholder of ERSB. He holds directly 6,999 ordinary shares of RM1.00 each in ERSB, representing approximately 69.99% equity interest in ERSB as at the Offer Document LPD.

He is also the founder, the Group Managing Director and a major shareholder of BCB via his interest in ERSB. He holds indirectly 88,254,100 BCB Shares, representing approximately 44.08% equity interest in BCB as at the Offer Document LPD.

He obtained his Diploma in Building Construction and Management (London) and Master of Business Administration in 1981 and 1992 respectively. In 1995, he obtained his Fellowship of International Institute of Business Management and Member of Institute of Management (United Kingdom). He was conferred a Doctor of Philosophy (PhD) in Property Development and Management (U.S.A.) in 1996. He is an entrepreneur with considerable experience in the property development industry, particularly in the State of Johor.

He is the spouse of Datin Lim and the father of Tan Vin Sern, Tan Vin Shyan and Tan Lindy. He is also the brother of Tan Seng Hong.

7. DIRECTORSHIP AND / OR SUBSTANTIAL SHAREHOLDINGS IN ALL PUBLIC LISTED COMPANIES IN MALAYSIA FOR THE PAST THREE (3) YEARS

Save as disclosed below, Dato' Tan does not hold any directorship and / or substantial shareholding in any other public listed companies in Malaysia for the past three (3) years up to the Offer Document LPD.

Name of company	Country of incorporation	Directorship	Effective equity interest %	Principal activities
BCB Berhad	Malaysia	Group Managing Director	44.08	Investment holding, property development and hotel operations

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

The Board has seen, read and approved this IAC. The Board individually and collectively accept full responsibility for the accuracy of the information as contained in this IAC.

The responsibility of the Board in respect of:-

- (i) the information on the Offeror and the Offer in this IAC (as extracted from the Offer Document) is limited to ensuring that such information is accurately reproduced in this IAC; and
- (ii) the independent advice and expression of opinion by KAF Investment in relation to the Offer as set out in Part B of this IAC are limited based on the accuracy of the information in relation to the BCB Group that was provided to KAF Investment for its evaluation of the Offer and that there are no facts or information, the omission of which would make any information, document, confirmation or representation supplied misleading, or would materially affect KAF Investment's evaluation, views and recommendation in the IAC.

2. CONSENTS

PIVB and KAF Investment have given and have not subsequently withdrawn their written consents to the inclusion of their names and all references in the form and context in which they appear in this IAC.

3. DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES AND EXERCISABLE AND CONVERTIBLE SECURITIES

As at the LPD, there is only one (1) class of ordinary shares in BCB, being the ordinary shares of RM1.00 each.

3.1 By BCB**3.1.1 Disclosure of interests in ERSB**

As at the LPD, BCB does not have any interest, whether direct or indirect, in ERSB.

3.1.2 Dealing in any voting shares of ERSB

BCB has not dealt, directly or indirectly, in any voting shares of ERSB during the six (6)-month period prior to 15 June 2015, being the date of the Notice.

3.1.3 Dealings in BCB Shares

	Date of transaction	Transacted price per BCB Share (RM)	No. of shares purchased	Cumulative net outstanding treasury shares
Shares Buy Back	13 February 2015	1.00	1,000	6,017,600

FURTHER INFORMATION

3.2 By the Directors of BCB**3.2.1 Disclosure of interests in ERSB**

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Ash'ari Bin Ayub	Malaysian	-	-	-	-
Dato' Tan	Malaysian	6,999	69.99	3,000	30.00*
Datuk Seri Ismail Bin Yusof	Malaysian	-	-	-	-
Tan Lay Hiang	Malaysian	-	-	-	-
Tan Lindy	Malaysian	500	5.00	-	-
Tan Vin Sern	Malaysian	1,000	10.00	-	-
Tan Vin Shyan	Malaysian	1,000	10.00	-	-
Low Kok Yung	Malaysian	-	-	-	-
Abd Manap Bin Hussain	Malaysian	-	-	-	-

Notes:-

* Deemed interested by virtue of:-

- (a) his spouse, Datin Lim's shareholding in ERSB – 500 (5.00%);
 (b) his son, Tan Vin Sern's shareholding in ERSB – 1,000 (10.00%);
 (c) his son, Tan Vin Shyan's shareholding in ERSB – 1,000 (10.00%); and
 (d) his daughter, Tan Lindy's shareholding in ERSB – 500 (5.00%).

3.2.2 Dealings in any voting shares of ERSB

The Directors of BCB has not dealt, directly or indirectly, in any voting shares of ERSB during the six (6)-month period prior to the 15 June 2015, being the date of the Notice.

3.2.3 Disclosure of interests in BCB

Save as disclosed below, as at the LPD, the Directors of BCB do not have any other interest, whether direct or indirect, in BCB Shares:-

Name/(Designation)	As at the LPD			
	Direct		Indirect	
	No. of shares held	⁽¹⁾ % held	No. of shares held	⁽¹⁾ % held
Dato' Tan Seng Leong (Group Managing Director)	-	-	88,254,100	⁽²⁾ 44.08
Low Kok Yung (Executive Director)	3,000	0.00	-	-

Notes:-

- ⁽¹⁾ Based on the issued and paid-up capital of 200,232,400 BCB Shares (net of Treasury Shares)
⁽²⁾ Deemed interested by virtue of his interest in ERSB pursuant to Section 6A of the Act

FURTHER INFORMATION

3.2.4 Dealing in BCB Shares

The following Directors have dealt, directly and indirectly, in BCB Shares during the six (6)-month period prior to 15 June 2015, being the date of the Notice, up to the LPD:-

Name	Date(s) of transaction	Nature of transaction	No. of BCB Shares	Transacted price per BCB Share (RM)	Total consideration (RM)
Dato' Tan Seng Leong	5 June 2015	Disposal	13,485,000	0.90	12,136,500
	5 June 2015	Disposal	1,839,200	0.90	1,655,280
	5 June 2015	Disposal	3,711,300	0.90	3,340,170
	2 June 2015	Disposal	22,000,000	0.90	19,800,000
	28 May 2015	Disposal	22,000,000	0.90	19,800,000
Tan Vin Sern	5 June 2015	Disposal	2,534,500	0.90	117,900
Tan Lay Hiang	15 June 2015	Disposal	491,100	1.00	491,100

3.3. Disclosure of interest in BCB (As extracted from the Offer Document)**3.3.1 By the Offeror**

Save as disclosed below, the Offeror does not have any other interest, whether direct or indirect, in BCB Shares as at the Offer Document LPD:-

Name	Direct		Indirect	
	No. of BCB Shares	%	No. of BCB Shares	%
ERSB	88,254,100	44.08	-	-

3.3.2 By the Ultimate Offeror

Save as disclosed below, the Ultimate Offeror does not have any other interest, whether direct or indirect, in BCB Shares as at the Offer Document LPD:-

Name	Direct		Indirect	
	No. of BCB Shares	%	No. of BCB Shares	%
Dato' Tan	-	-	88,254,100	*44.08

Note:-

* Deemed interested by virtue of his interest in ERSB pursuant to Section 6A of the Act.

3.3.3 By the PACs of the Offeror

Save as disclosed below, the PACs do not have any other interest, whether direct or indirect, in BCB Shares as at the Offer Document LPD:-

FURTHER INFORMATION

Name	Direct		Indirect	
	No. of BCB Shares	%	No. of BCB Shares	%
Dato' Tan	-	-	88,254,100	* 44.08
Datin Lim	-	-	88,254,100	#44.08
Tan Vin Sern	-	-	-	-
Tan Vin Shyan	-	-	-	-
Tan Lindy	-	-	-	-
Law Wei Hong	-	-	-	-
Tan Seng Hong	2,207,100	1.10	-	-
Lim Key Siew	5,215,200	2.60	-	-

Notes:-

* Deemed interested by virtue of his interest in ERSB pursuant to Section 6A of the Act.

Deemed interested by virtue of her spouse, Dato' Tan's interest in ERSB pursuant to Section 6A of the Act.

3.3.4 By the Directors of the Offeror

Save as disclosed below, the Directors of the Offeror do not have any other interest, whether direct or indirect, in BCB Shares as at the Offer Document LPD:-

Name	Direct		Indirect	
	No. of BCB Shares	%	No. of BCB Shares	%
Dato' Tan	-	-	88,254,100	* 44.08
Datin Lim	-	-	88,254,100	#44.08
Tan Vin Sern	-	-	-	-
Tan Vin Shyan	-	-	-	-
Tan Lindy	-	-	-	-
Law Wei Hong	-	-	-	-

Notes:-

* Deemed interested by virtue of his interest in ERSB pursuant to Section 6A of the Act.

Deemed interested by virtue of her spouse, Dato' Tan's interest in ERSB pursuant to Section 6A of the Act.

3.3.5 By persons who have irrevocably committed to accept the Offer

As at the Offer Document LPD, the Offeror has not received any irrevocable undertaking from any Holder to accept the Offer.

3.4 Disclosure if dealings in BCB Shares (As extracted from the Offer Document)**3.4.1 Dealings in BCB Shares**

Save as disclosed below, the parties whose holdings are required to be disclosed pursuant to the Code, namely the Offeror, the Ultimate Offeror, the directors of ERSB and the PACs have not dealt in BCB Shares during the period commencing six (6) months prior to the beginning of the Offer Period and ending on the Offer Document LPD:-

FURTHER INFORMATION

Name	Date(s) of transaction	Nature of transaction	No. of BCB Shares	Transacted price per BCB Share RM	Total consideration RM
<u>Offeror:</u>					
ERSB	15 June 2015	Acquisition	22,533,100	1.00	22,533,100
	5 June 2015	Acquisition	21,701,000	0.90	19,530,900
	2 June 2015	Acquisition	22,000,000	0.90	19,800,000
	28 May 2015	Acquisition	22,000,000	0.90	19,800,000
<u>Ultimate Offeror:</u>					
Dato' Tan	5 June 2015	Disposal	13,485,000	0.90	12,136,500
	5 June 2015	Disposal	1,839,200	0.90	1,655,280
	5 June 2015	Disposal	3,711,300	0.90	3,340,170
	2 June 2015	Disposal	22,000,000	0.90	19,800,000
	28 May 2015	Disposal	22,000,000	0.90	19,800,000
<u>PACs:</u>					
Datin Lim	5 June 2015	Disposal	131,000	0.90	117,900
Tan Vin Sern	5 June 2015	Disposal	2,534,500	0.90	2,281,050
Tan Vin Shyan	-	-	-	-	-
Tan Lindy	-	-	-	-	-
Law Wei Hong	-	-	-	-	-
Tan Seng Hong	15 June 2015	Disposal	1,781,500	1.00	1,781,500
Lim Key Siew	15 June 2015	Disposal	2,674,500	1.00	2,674,500

4. CONFLICT OF INTEREST (As extracted from the Offer Document)

Save as disclosed below, there is no deemed conflict of interest situation arising from the Offer which is required to be disclosed under Section 1.2 of Practice Note 12 of the Code where:-

- (i) a person is a common director in the Offeror and the Offeree; : Dato' Tan^(a), Tan Vin Sern^(b), Tan Vin Shyan^(c) and Tan Lindy^(d).
- (ii) a director of the Offeree has more than 20% voting shares or voting rights in the Offeror, or a director of the Offeror has more than 20% voting shares or voting rights in the Offeree, held either directly or indirectly; : Dato' Tan^(a)

FURTHER INFORMATION

- (iii) there is a cross-holding of more than 20% of the voting shares or voting rights between the Offeror and the Offeree; and : The Offeror holds more than 20% of the voting shares in the Offeree but the Offeree does not hold any shares in the Offeror.
- (iv) a person holds more than 20% voting shares or voting rights in both the Offeror and the Offeree. : Dato' Tan^(a)

Notes:-

- (a) *Dato' Tan is a director of ERSB as well as a director of BCB. He is a shareholder of ERSB with 69.99% direct equity interest in ERSB and 30.00% indirect equity interest in ERSB deemed interested by virtue of his spouse, Datin Lim (5.00%), his sons, Tan Vin Sern (10.00%) and Tan Vin Shyan(10.00%), and his daughter, Tan Lindy (5.00%). He is also deemed interested in 44.08% equity interest in BCB by virtue of his interest in ERSB pursuant to the Act, as at the Offer Document LPD*
- (b) *Tan Vin Sern is a director of ERSB as well as a director of BCB.*
- (c) *Tan Vin Shyan is a director of ERSB as well as a director of BCB.*
- (d) *Tan Lindy is a director of ERSB as well as a director of BCB.*

The Offeror, the Ultimate Offeror and the PACs have however abstained and will continue to abstain from deliberating and voting at all relevant Board meetings in relation to the Offer.

5. GENERAL DISCLOSURES (As extracted from the Offer Document)

- 5.1 As at the Offer Document LPD, there is no on-going negotiation between the Offeror, the Ultimate Offeror or the PACs and any person(s) with respect to the Offeror's shares or the Offer Shares.
- 5.2 As at the Offer Document LPD, there is no agreement, arrangement or understanding which exists between the Offeror, the Ultimate Offeror or the PACs and any of the directors or past directors (being such person who was, during the period of six (6) months prior to the date of the Notice, a Director) of BCB, or any of the shareholders or past shareholders (being such person who was, during the period of six (6) months prior to the date of the Notice, a shareholder) of BCB, having any connection with or dependence upon the Offer.
- 5.3 As at the Offer Document LPD, there is no existing or proposed agreement, arrangement or understanding entered into in relation to the Offer Shares by the Offeror, the Ultimate Offeror or the PACs and any of the Holders whereby any Offer Shares acquired pursuant to the Offer will be transferred to any other person(s) within a foreseeable period from the date of this Offer Document.
- 5.4 All the Offer Shares validly accepted pursuant to the Offer will be registered either in the name of ERSB and / or its appointed nominee(s), if any.

6. MATERIAL CONTRACTS**6.1 Offeror (As extracted from the Offer Document)**

The Offeror has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the Offer Document LPD.

FURTHER INFORMATION

6.2 BCB

BCB Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the LPD.

7. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**7.1 Offeror** *(As extracted from the Offer Document)*

As at the Offer Document LPD, the Offeror is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the directors of the Offeror are not aware of any proceedings, pending or threatened against the Offeror or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Offeror.

7.2 BCB

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

8. FINANCIAL RESOURCES OF THE OFFEROR *(As extracted from the Offer Document)*

The Offeror confirms that the Offer will not fail due to insufficient financial capability of the Offeror and that every Holder who wishes to accept the Offer will be paid in full in cash.

PIVB, being the Adviser to the Offeror in relation to the Offer, is satisfied that the Offer will not fail due to insufficient financial capability of the Offeror and that every Holder who wishes to accept the Offer will be paid in full in cash.

9. SERVICE CONTRACTS

As at the LPD, save as disclosed below, none of the directors and/or proposed directors of BCB Group have any service contracts or employment contracts with the Company or any of its subsidiary companies, which excludes contracts expiring or determinable by the employing company without payment of compensation within twelve (12) months from the date the Offer Document:-

- (i) Service Agreement dated 28 August 2014 between the Company and Dato' Tan Seng Leong in relation to the position of Group Managing Director for a term of five (5) years commencing from 1 January 2015 until 31 December 2019.

No service contract has been entered into or has been amended within six months from the date of the Offer Document.

10. MATERIAL COMMITMENTS

As at the LPD, there are no material capital commitments contracted or known to be contracted by the BCB Group, which may have a material impact on the business or financial position of the BCB Group.

FURTHER INFORMATION

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (except public holidays in Malaysia) at the registered office of the Company at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing-Kluang Parade, 86000 Kluang, Johor Darul Takzim, from the date of this Offer Document up to and including the Closing Date:-

- (i) Memorandum and Articles of Association of BCB;
- (ii) The Notice;
- (iii) Audited financial statements of BCB for the past three (3) FYEs 30 June 2012, 2013 and 2014 and unaudited financial statements of BCB for the nine (9)-month FPE 31 March 2015;
- (iv) Service Agreement dated 28 August 2014 between the Company and Dato' Tan Seng Leong in relation to the position of Group Managing Director for a term of five (5) years commencing from 1 January 2015 until 31 December 2019;
- (v) Consent letter from the SC in respect of its consent to this IAC; and
- (vi) Letter of consent referred to in Section 2 of this Appendix IV.