

THIS INDEPENDENT ADVICE CIRCULAR (“IAC”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS IAC IN CONJUNCTION WITH THE OFFER DOCUMENT DATED 22 APRIL 2026 ISSUED BY CIMB INVESTMENT BANK BERHAD ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN) WHICH HAS BEEN SENT TO YOU.

If you are in any doubt as to the action to be taken in relation to the Offer (as defined herein), please consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Offer Shares (as defined herein), you should hand this IAC immediately to the purchaser or stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee of such Offer Shares.

Pursuant to subparagraph 11.03(2) and 11.04(2) of the Rules on Take-overs, Mergers and Compulsory Acquisitions, the Securities Commission Malaysia (“SC”) has notified that it has no further comments to the contents of this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.



CONCRETE ENGINEERING PRODUCTS BERHAD

(Registration No. 198201008420 (88143-P))

(Incorporated in Malaysia)

**INDEPENDENT ADVICE CIRCULAR TO THE HOLDERS OF THE OFFER SHARES
IN RELATION TO THE UNCONDITIONAL MANDATORY TAKE-OVER OFFER**

BY

YTL CEMENT BERHAD

(Registration No. 197701000339 (31384-K))

(Incorporated in Malaysia)

(THE “OFFEROR”)

THROUGH

CIMB INVESTMENT BANK BERHAD

(Registration No. 197401001266 (18417-M))

TO ACQUIRE

**ALL THE REMAINING ORDINARY SHARES IN CONCRETE ENGINEERING PRODUCTS BERHAD
NOT ALREADY OWNED BY THE OFFEROR AND PERSONS ACTING IN CONCERT WITH IT (“OFFER
SHARES”) FOR A CASH CONSIDERATION OF RM2.60 PER OFFER SHARE (“OFFER”)**

Independent Adviser



MERCURY SECURITIES SDN BHD

(Registration No. 198401000672 (113193-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Independent Advice Circular is dated 4 May 2026

DEFINITIONS

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

Accepting Holder(s)	:	Holder(s) who accept the Offer
Acquisition	:	Acquisition by the Offeror of a total of 39,917,579 CEPCO Shares from the Vendors, representing approximately 53.5% of the total equity interest in CEPCO, for the Purchase Consideration. This Acquisition has been completed on 7 April 2026.
Board	:	Board of Directors of CEPCO, all of whom do not have any interest, direct or indirect, in CEPCO Shares
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
CIMB Investment Bank	:	CIMB Investment Bank Berhad (197401001266 (18417-M)), being the Principal Adviser to the Offeror in relation to the Offer
CEPCO or Company or Offeree	:	Concrete Engineering Products Berhad (198201008420 (88143-P))
CEPCO Group	:	Collectively, CEPCO and its subsidiaries
CEPCO Shares or Shares	:	Ordinary shares in CEPCO
Closing Date	:	(i) First Closing Date, or (ii) if the Offer is revised or extended in accordance with the Rules and the terms and conditions of the Offer Document, such other revised or extended closing date as the Offeror may decide and as may be announced by CIMB Investment Bank on behalf of the Offeror, at least two days before the Closing Date
CMSA	:	Capital Markets and Services Act 2007, including amendments from time to time any re-enactment thereof
Companies Act	:	Companies Act 2016, including amendments from time to time and any re-enactment thereof
Directors	:	Directors of CEPCO
Dissenting Holder(s)	:	Holder(s) who have not accepted the Offer and/or who have failed or refused to transfer the Offer Shares to the Offeror in accordance with the terms and conditions set out in the Offer Document
Distribution(s)	:	Dividends or distributions of any nature declared, made and/or paid by CEPCO to its shareholders on or after the date of the Notice by prior to the Closing Date
First Closing Date	:	5:00 p.m. (Malaysian time) on Wednesday, 13 May 2026, being at least 21 days from the Posting Date
Form of Acceptance and Transfer	:	Form of acceptance and transfer for the Offer Shares, as enclosed in the Offer Document

DEFINITIONS (cont'd)

FPE	:	Financial period(s) ended/ending
FYE	:	Financial year(s) ended/ending
GP	:	Gross profit
Holder(s)	:	Holder(s) of the Offer Shares
IAC	:	This independent advice circular dated 4 May 2026 comprising letter from the Board (as set out in Part A of this IAC) and the IAL (as set out in Part B of this IAC)
IAL	:	Independent advice letter dated 4 May 2026 by Mercury Securities in relation to the Offer (as set out in Part B of this IAC)
Inch Kenneth	:	Inch Kenneth Kajang Rubber Public Limited Company (194602000041 (990261-M))
Inch Kenneth Shares	:	Ordinary shares in Inch Kenneth
KLPRO	:	Bursa Malaysia Industrial Production Index
LAT	:	Loss after tax
LBT	:	Loss before tax
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	27 April 2026, being the latest practicable date prior to the date of this IAC
LTD	:	31 March 2026, being the last trading day of CEPCO Shares prior to the date of the Notice
Market Day(s)	:	Day(s) on which Bursa Securities is open for trading of securities
Mercury Securities Independent Adviser	or	Mercury Securities Sdn Bhd (198401000672 (113193-W)), being the independent adviser appointed by the Board in accordance with paragraph 3.06 of the Rules to provide comments, opinions, information and recommendation on the Offer to the Board and the Holders
MFRS	:	Malaysian Financial Reporting Standards
NA	:	Net assets
NBV	:	Net book value
Non-resident Holder(s)	:	Holder(s) (including without limitation, any custodians, agents, representatives, nominees and trustees) who is a citizen or national of, or resident in, or has a registered address in a jurisdiction outside Malaysia, or is incorporated or registered with, or approved by any authority outside Malaysia, or is a non-resident within the definition prescribed under the Financial Services Act 2013
Notice	:	Notice of the Offer dated 1 April 2026, served on the Board by CIMB Investment Bank on behalf of the Offeror

DEFINITIONS (cont'd)

Offer	:	The unconditional mandatory take-over offer by the Offeror, through CIMB Investment Bank, to acquire all of the Offer Shares at the Offer Price in accordance with the terms and conditions set out in the Offer Document
Offer Document	:	The offer document dated 22 April 2026, which contains the details, and terms and conditions of the Offer together with the enclosed Form of Acceptance and Transfer
Offer Document LPD	:	15 April 2026, being the latest practicable date prior to the posting of the Offer Document
Offer Period	:	The period commencing from 1 April 2026, being the date of the Notice, until the earlier of either: (i) the Closing Date; or (ii) the date on which the Offer lapses or is withdrawn with the written consent of the SC
Offer Price	:	Cash offer price of RM2.60 for each Offer Share
Offer Share(s)	:	All the remaining CEPCO Shares not already owned by the Offeror and the PACs. As at the LPD, the Offer Shares comprise 34,707,029 CEPCO Shares, representing approximately 46.5% of the issued share capital of CEPCO
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
PACs	:	Person or persons acting in concert with the Offeror for the Offer in accordance with subsection 216(2) of the CMSA and/or persons presumed to be acting in concert under subsection 216(3) of the CMSA. As the Offer Document LPD, the PACs in relation to the Offer are as follows: (i) YTL Corp; (ii) YTLSH; (iii) YTLSF; (iv) YTLST; and (v) Puan Sri Tan Kai Yong
PAT	:	Profit after tax
PBT	:	Profit before tax
PPE	:	Property, plant and equipment
Posting Date	:	22 April 2026, being the date of posting of the Offer Document
Puan Sri Tan Kai Yong	:	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong
Public Requirement	Spread	Requirement pursuant to subparagraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders to ensure its continued listing on the Main Market of Bursa Securities

DEFINITIONS (cont'd)

Purchase Consideration	:	Up to a total cash consideration of RM103,785,705.40 or RM2.60 per CEPCO Share for the Acquisition (subject to downward adjustments as set out in Section 1.1 of the Offer Document)
Raine & Horne or the Valuer	:	Raine & Horne International Zaki + Partners Sdn Bhd (198301004235 (99440-T))
RNAV	:	Revalued net assets value
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA
Rules of Bursa Depository	:	The Rules of Bursa Depository as issued under the SICDA
Settlement	:	A debt settlement exercise of CEPCO which entailed the transfer of 48,000,000 Inch Kenneth Shares held by CEPCO to Dato' Muhammad Fasri Samsudin, a creditor of CEPCO, for settlement of an outstanding debt totalling RM16.8 million, pursuant to the terms of the settlement agreement dated 17 March 2026 between CEPCO and the said creditor. This exercise has been completed on 17 March 2026.
SC	:	Securities Commission Malaysia
SICDA	:	Securities Industry (Central Depositories) Act 1991
SPAs	:	Unconditional share purchase agreements dated 1 April 2026 entered into between the Offeror and the Vendors pursuant to the Acquisition
Valid Acceptances	:	The acceptances of the Offer by the Holders in accordance with the terms and conditions set out in the Offer Document, which is deemed by the Offeror to be valid and complete in all respects
Valuation Reports	:	Collectively, valuation reports for the properties set out in Section 6 of Part B of this IAC
Vendors	:	Collectively, the following parties: (i) Inch Kenneth; (ii) Che Yam @ Rusnah Binti Hussin; (iii) Ahmad Hamzah Bin Mohd Anuar; (iv) Muhammad Firdaus Bin Muhamad Fasri; (v) Mohd Ridzwan Bin Jamaludin; (vi) Asura Salaeh; (vii) Che Muhamad Fasir Bin Samsudin; (viii) Masmanis Sdn Bhd (198101011307 (77434-P)); (ix) Good Health Pharmacy Sdn Bhd (199701037919 (453419-P)); and (x) Deal Trekker (M) Sdn Bhd (200701038085 (796115-D)).
VWAP	:	Volume-weighted average market price
YTL Cement or Offeror	:	YTL Cement Berhad (197701000339 (31384-K))
YTL Cement Group	:	YTL Cement and its subsidiaries
YTL Cement Shares	:	Ordinary shares in YTL Cement
YTL Corp	:	YTL Corporation Berhad (198201012898 (92647-H))

DEFINITIONS (cont'd)

YTLPI	:	YTL Power International Berhad (199601034332 (406684-H))
YTLSF	:	Yeoh Tiong Lay & Sons Family Holdings Limited (118363)
YTLSH	:	Yeoh Tiong Lay & Sons Holdings Sdn Bhd (197901000671 (44947-D))
YTLST	:	Yeoh Tiong Lay & Sons Trust Company Limited (106010)

Measurement and currency

Sq ft	:	Square feet
RM and sen	:	Ringgit Malaysia and sen respectively

Presentation of information

All references to “**you**”, “**your**” or “**Holders**” in this IAC are to the holders of the Offer Shares, being the persons to whom the Offer is being made. All references to “**we**”, “**us**” and “**our**” in this IAC (save for the Executive Summary and Part A: Letter from the Board) are to Mercury Securities, being the Independent Adviser for the Offer.

In this IAC, 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*. References to persons shall include companies or corporations, unless otherwise specified.

Any discrepancies in the tables included in this IAC between the amounts stated, actual figures and the totals thereof are due to rounding, unless otherwise stated. All references to dates and times in this IAC shall be references to Malaysian dates and times, unless otherwise stated. Where a period specified in the Rules, as appearing in this IAC, ends on a day which is not a Market Day, the period is extended until the next Market Day.

Any reference in this IAC to any enactment or guideline is a reference to that enactment or guideline as for the time being amended or re-enacted.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE OFFER. YOU ARE ADVISED TO READ BOTH PART A: LETTER FROM THE BOARD AND PART B: IAL FROM MERCURY SECURITIES FOR THEIR VIEWS AND RECOMMENDATIONS IN RELATION TO THE OFFER. THIS IAC SHOULD ALSO BE READ TOGETHER WITH THE OFFER DOCUMENT.

1. INTRODUCTION

On 1 April 2026, the Offeror entered into unconditional SPAs with the Vendors to acquire a total of 39,917,579 CEPCO Shares, representing approximately 53.5% of the total equity interest in CEPCO, for the Purchase Consideration.

On the same date, the Board was served with the Notice from CIMB Investment Bank, acting on behalf the Offeror, notifying the Board of the Offeror's intention to undertake the Offer pursuant to the obligations under subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules. Accordingly on even date, CEPCO announced receipt of the Notice and a copy of the Notice was subsequently despatched to CEPCO's shareholders on 8 April 2026.

On 7 April 2026, CEPCO announced that the Board had on even date appointed Mercury Securities as the Independent Adviser to provide its comments, opinions, information and recommendation on the Offer to Board and Holders.

On 10 April 2026, Mercury Securities had declared to the SC of its independence from any conflict of interest or potential conflict of interest in its capacity as the Independent Adviser in relation to the Offer.

On 22 April 2026, a copy of the Offer Document, which sets out the details, terms and conditions of the Offer, as well as procedures for acceptance and method of settlement of the Offer, was despatched to you.

Pursuant to subparagraph 11.03(2) and 11.04(2) of the Rules, the SC had, via its letter dated 30 April 2026, notified that it has no further comments on this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

THE PURPOSE OF THIS IAC IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE OFFER, THE BOARD'S VIEWS AND RECOMMENDATION ON THE OFFER AS WELL AS MERCURY SECURITIES' VIEWS AND RECOMMENDATION ON THE OFFER.

2. SALIENT TERMS AND CONDITIONS OF THE OFFER

The salient terms and conditions of the Offer are as set out below.

Section in Part B of this IAC	Salient terms and conditions
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2.1	<u>Consideration for the Offer</u>
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The consideration for the Offer is **RM2.60 per Offer Share**, and shall be satisfied wholly in cash in accordance with the method of settlement as stated in **Section 2.4 of the Offer Document**.

Holders may accept the Offer in respect of all or any part of the Offer Shares that they hold. The Offeror will not pay fractions of a sen to the Accepting Holders. Entitlement to the cash payment will be rounded down to the nearest whole sen.

Section in Part B of this IAC	Salient terms and conditions
2.2	<p><u>Condition of the Offer</u></p> <p>The Offer is <u>not conditional</u> upon any minimum level of acceptances as the Offeror already owns more than 50% of the voting shares in CEPCO following the completion of the Acquisition.</p>
2.3	<p><u>Duration of the Offer</u></p> <p>The Offer will remain open for acceptances until <u>5:00 p.m. (Malaysian time) on Wednesday, 13 May 2026</u>, being the First Closing Date, unless extended or revised in accordance with the Rules and the terms and conditions of the Offer Document.</p> <p>Any such extension or revision will be announced by CIMB Investment Bank, on behalf of the Offeror, at least 2 days before the Closing Date. Notice of any such extension or revision will also be posted to the Holders accordingly.</p>
2.4	<p><u>Method of Settlement</u></p> <p>Full settlement of the consideration in respect of acceptances will be effected <i>via</i> remittance into the Accepting Holders' bank account, or remittance <i>via</i> in the form of cheques, banker's drafts or cashier's orders, which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at their registered Malaysian address last maintained with Bursa Depository, at their own risk within 10 days from the date of such Valid Acceptances being received.</p> <p>The Non-resident Holders are advised that the settlement for the acceptance of the Offer will be made in RM. The Non-resident Holders who wish to convert the consideration received into foreign currency for repatriation may do so after payment of the appropriate fees and/or charges, if applicable, as levied by the respective financial institutions.</p>

3. DETAILS OF ACCEPTANCES

As at the LPD, there is no announcement made by CIMB Investment Bank, on behalf of the Offeror, of any acceptances.

As at the Offer Document LPD, the Offeror and the PACs have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

4. MERCURY SECURITIES' EVALUATION OF THE OFFER

In arriving at its opinion and recommendation in respect of the Offer, Mercury Securities has assessed and evaluated the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules whereby:

- (i) the term "**fair and reasonable**" should generally be analysed as 2 distinct criteria i.e. whether the Offer is "**fair**" and whether the Offer is "**reasonable**", rather than as a composite term;

EXECUTIVE SUMMARY (cont'd)

- (ii) the Offer is considered as “**fair**” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Shares. However, if the Offer Price is equal to or higher than the market price but is lower than the value of the Offer Shares, the Offer is considered as “**not fair**”. In making the assessment, the value of the Offer Shares is determined based on the assumption that 100% of the issued share capital of the Offeree is being acquired;
- (iii) in considering whether the Offer is “**reasonable**”, Mercury Securities has taken into consideration matters other than the valuation of the Offer Shares that are the subject to the Offer. Generally, a take-over offer would be considered “**reasonable**” if it is “**fair**”. Nevertheless, an independent adviser may also recommend Holders to accept the Offer despite it being “**not fair**”, if the independent adviser is of the view that there are sufficiently strong reasons to accept the Offer in the absence of a higher bid and such reasons should be clearly explained; and
- (iv) in the event the independent adviser concludes that the Offer is “**not fair but reasonable**”, the independent adviser must clearly explain the following:
 - (a) what is meant by “**not fair but reasonable**”;
 - (b) how has the independent adviser reached to that conclusion; and
 - (c) the course of action that the Holders are recommended to take pursuant to the conclusion.

Please refer to **Sections 5, 6 and 7 of Part B of this IAC** for further details.

4.1. Fairness of the Offer

In assessing the fairness of the Offer, Mercury Securities has considered the following pertinent factors:

Factors	Mercury Securities' View
Valuation of CEPCO Share	<p>Based on Mercury Securities' assessment as set out in Section 6.1.1 of Part B of this IAC, Mercury Securities is of the view that the RNAV valuation methodology is the most appropriate valuation methodology to estimate the fair value of CEPCO Share.</p> <p>The Offer Price of RM2.60 per Offer Share:</p> <ul style="list-style-type: none">(i) represents a premium of RM0.83 or approximately 46.9% to the estimated fair value per CEPCO Share of RM1.77; and(ii) RM1.43 or 122.2% higher than CEPCO's latest announced consolidated NA per Share of RM1.17 as at 28 February 2026 (unaudited).
Historical market prices of CEPCO Share	<p>The Offer Price of RM2.60 represents a premium of between 39.0% to 96.2% over the last traded market price of CEPCO Shares as at the LTD, and over the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of the CEPCO Shares up to the LTD.</p>
Conclusion	<p>Premised on the above, Mercury Securities is of the opinion that the Offer is FAIR.</p>

Please refer to **Section 6 of Part B of this IAC** for further details.

4.2. Reasonableness of the Offer

In assessing the reasonableness of the Offer, Mercury Securities has considered the following pertinent factors:

<u>Factors</u>	<u>Mercury Securities' View</u>
Historical trading volume of CEPCO Shares :	The CEPCO Shares were relatively illiquid with a simple average monthly trading volume to free float shares of approximately 0.53% (excluding outliers), as compared to the simple average trading volume to free float shares of the KLPRO Index of approximately 7.10% for the past 12 months up to March 2026 (being the last full trading month before LTD).

Hence, in view of low trading liquidity of the CEPCO Shares, the Offer represents an opportunity for Holders, especially those holding significant number of Offer Shares, to realise their investment in CEPCO Shares for cash at the Offer Price.

No alternative proposal and level of control :	<ul style="list-style-type: none"> (i) As at the LPD, the Board has not received any alternative proposal for the Offer Shares. In the absence of an alternative proposal, the Offer presents an opportunity for the Holders to realise their investment in the Offer Shares at the Offer Price in cash. (ii) As at the LPD, the Offeror holds a controlling stake of approximately 53.5% in CEPCO. Hence, unless the Offeror and the PACs are required to abstain from voting on resolution(s) sought at general meeting(s) of CEPCO and the Offeror is able to exercise significant influence over the outcome of CEPCO's shareholders' resolution(s) as the Offeror is able to: <ul style="list-style-type: none"> (a) approve or oppose any ordinary resolutions (requiring approval from more than 50% of the total votes cast); and (b) oppose any special resolutions (requiring approval from at least 75% of the total votes cast)
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Conclusion : Premised on the above, Mercury Securities is of the opinion that the Offer is **REASONABLE**.

Please refer to **Section 7 of Part B of this IAC** for further details.

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5. CONCLUSION AND RECOMMENDATION

5.1. By Mercury Securities

The Offer was initiated by the Offeror as a consequence of the Acquisition. Based on Mercury Securities' evaluations as set out in **Part B of this IAC**, Mercury Securities is of the view that the Offer is **FAIR** and **REASONABLE**. Accordingly, Mercury Securities recommends you **ACCEPT** the Offer. Please refer to **Section 13 of Part B of this IAC** for further details.

5.2. By the Board

After careful evaluation of the terms and conditions of the Offer as set out in the Offer Document and taking into account the evaluation and recommendation by Mercury Securities as presented in **Part B of this IAC**, the Board **CONCURS** with Mercury Securities' assessment that the Offer is **FAIR** and **REASONABLE**. Accordingly, the Board recommends that you **ACCEPT** the Offer.

6. IMPORTANT DATES AND EVENTS

Holders should take note of the following important dates in relation to the Offer:

Event	Date
Receipt of Notice	1 April 2026
Posting of the Offer Document	22 April 2026
Issuance of this IAC	^(a) 4 May 2026
First Closing Date ^(b)	^(b) 13 May 2026

Notes:

- (a) Pursuant to subparagraph 11.03(1) of the Rules, the IAC shall be issued to the Holders within 10 days from the posting of the Offer Document (i.e. 1 May 2026). However, considering that 1 May 2026 is a public holiday, the latest practicable date to issue the IAC falls on 4 May 2026, in line with the requirements under paragraph 2.02 of the Rules.
- (b) The Offer will remain open for acceptances until 5:00 p.m. (Malaysian time) on the First Closing Date or, if the Offer is revised or extended in accordance with the Rules and the terms and conditions of the Offer Document, such other revised or extended closing date(s) as the Offeror may decide and as will be announced by CIMB Investment Bank, on behalf of the Offeror, at least two days before the closing date. Notice(s) in respect of any revision to the Offer will also be posted to you in accordance with the Rules.

YOU SHOULD CAREFULLY CONSIDER THE TERMS AND CONDITIONS OF THE OFFER BASED ON ALL RELEVANT AND PERTINENT FACTORS, INCLUDING THOSE SET OUT ABOVE AND OTHER INFORMATION AS SET OUT IN THIS IAC, THE OFFER DOCUMENT AND ANY OTHER PUBLICLY AVAILABLE INFORMATION.

YOU ARE ADVISED TO READ THIS IAC IN ITS ENTIRETY, TOGETHER WITH THE OFFER DOCUMENT CAREFULLY FOR MORE INFORMATION AND NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE OFFER.

PART A

LETTER FROM THE BOARD



CONCRETE ENGINEERING PRODUCTS BERHAD
(Registration No. 198201008420 (88143-P))
(Incorporated in Malaysia)

Registered Office:

26th Floor, Menara KH (Promet)
Jalan Sultan Ismail
50250 Kuala Lumpur

4 May 2026

Board of Directors

Datin Sabrina Ainie (Independent Non-Executive Chairman)
Dato' Ir Dr Abdul Aziz bin Arshad (Non-Independent Non-Executive Director)
Datuk Seri Tpr. Haji Mahadi bin C. Ngah (Independent Non-Executive Director)
Dato' Azulita binti Salim (Independent Non-Executive Director)

To: The Holders

Dear Sir/Madam,

UNCONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR, THROUGH CIMB INVESTMENT BANK, TO ACQUIRE THE OFFER SHARES AT THE OFFER PRICE

1. INTRODUCTION

On 1 April 2026, the Offeror entered into unconditional SPAs with the following Vendors to acquire a total of 39,917,579 CEPCO Shares, representing approximately 53.5% of the total equity interest in CEPCO, for a total purchase consideration of up to RM103.8 million or RM2.60 per CEPCO Share:

Vendors	No. of CEPCO Shares acquired by the Offeror	(a)%	Purchase consideration	Price per CEPCO Share
			RM	RM
Inch Kenneth	14,415,265	19.3	37,479,689.00	(b)2.60
Che Muhamad Fasir Bin Samsudin	3,051,600	4.1	7,934,160.00	(b)2.60
Masmanis Sdn Bhd	2,727,666	3.7	7,091,931.60	(b)2.60
Good Health Pharmacy Sdn Bhd	1,493,333	2.0	3,882,665.80	(b)2.60
Deal Trekker (M) Sdn Bhd	973,999	1.3	2,532,397.40	(b)2.60
	22,661,863	30.4	58,920,843.80	
Che Yam @ Rusnah Binti Hussin	3,678,832	4.9	9,564,963.20	2.60
Ahmad Hamzah Bin Mohd Anuar	3,581,413	4.8	9,311,673.80	2.60
Muhammad Firdaus Bin Muhamad Fasri	3,483,505	4.7	9,057,113.00	2.60
Mohd Ridzwan Bin Jamaludin	3,428,333	4.6	8,913,665.80	2.60
Asura Salaeh	3,083,633	4.1	8,017,445.80	2.60
	17,255,716	23.1	44,864,861.60	
Total	39,917,579	53.5	103,785,705.40	

Notes:

- (a) Computed based on 74,624,608 issued CEPCO Shares as at the LPD. For clarity, as at the LPD, CEPCO does not have any treasury shares.
- (b) For information purposes, as set out in **Section 1.1 of the Offer Document**, an amount of RM0.20 per CEPCO Share has been retained from these vendors who have agreed to provide certain warranties, undertakings and covenants relating to the CEPCO Group. Such retention sum was to cater for any downward adjustments to the consideration, based on the actual NA value of the CEPCO Group as at 31 March 2026.

Any transaction, arrangement, distribution, payment, waiver of rights or other action not permitted under the relevant SPAs (collectively, the “**Non-Permitted Actions**”) during the relevant period will also result in a reduction of the consideration, and such reduction is not limited to the said retention sum. For the avoidance of doubt, in the event the downward adjustments made as a result of the Non-Permitted Actions in accordance with the terms of the relevant SPAs exceeds the said retention sum, these vendors will be required to pay the shortfall to the Offeror.

As the Offeror has obtained control in CEPCO as a result of the Acquisition, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, the Offeror is obliged to undertake the Offer to acquire all the remaining CEPCO Shares not already owned by the Offeror and the PACs.

On 1 April 2026, CIMB Investment Bank had, on behalf of the Offeror, served the Notice to the Board in accordance with subparagraph 9.10(1)(b)(i) of the Rules, notifying the Board of the Offeror’s intention to undertake the Offer.

On 1 April 2026, CEPCO announced receipt of the Notice and a copy of the of the Notice was subsequently despatched to CEPCO’s shareholders on 8 April 2026.

On 7 April 2026, CEPCO announced that the Board had on even date appointed Mercury Securities as the Independent Adviser to provide its comments, opinions, information and recommendation on the Offer to Board and Holders.

On 10 April 2026, Mercury Securities had declared to the SC of its independence from any conflict of interest or potential conflict of interest in its capacity as the Independent Adviser in relation to the Offer.

On 22 April 2026, a copy of the Offer Document, which sets out the details, terms and conditions of the Offer, as well as procedures for acceptance and method of settlement of the Offer, was despatched to the Holders.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had, *vide* its letter dated 30 April 2026, notified that it has no further comments to the contents of this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

THE PURPOSE OF THIS IAC IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE OFFER, THE BOARD’S VIEWS AND RECOMMENDATION ON THE OFFER, AS WELL AS MERCURY SECURITIES’ VIEWS AND RECOMMENDATION ON THE OFFER.

YOU ARE ADVISED TO READ BOTH THIS IAC AND THE OFFER DOCUMENT AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE TAKING ANY ACTION.

2. SALIENT TERMS AND CONDITIONS OF THE OFFER

The salient terms and conditions of the Offer are set out in **Section 2 of Part B of this IAC**. Holders are advised to also refer to **Section 2 and Appendix I of the Offer Document** for further information on the terms and conditions of the Offer, and **Appendix II of the Offer Document** for further information on the procedures for acceptance and method of settlement of the Offer.

3. DETAILS OF ACCEPTANCES

As at the LPD, there is no announcement made by CIMB Investment Bank, on behalf of the Offeror, of any acceptances.

As at the Offer Document LPD, the Offeror and the PACs have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

4. THE BOARD'S COMMENTS

4.1 Rationale for the Acquisition and the Offer

The Offer was initiated by the Offeror as a result of the Acquisition. The Offeror's rationale for the Acquisition and the Offer are set out in **Section 3 of the Offer Document**, the summary details of which are as follows:

(i) Acquisition

CEPCO is principally involved in the business of manufacturing and distribution of prestressed spun concrete piles and spun poles in Malaysia. The Acquisition was undertaken by the Offeror with the objective of extending its precast concrete manufacturing businesses by broadening its product portfolio from only superstructures to include substructures in the Peninsular Malaysia to complement the cement and aggregates businesses. This is in line with the Offeror's strategy to broaden its vertical integration products.

The Offeror also anticipates that growth in the precast concrete manufacturing sector is expected to accelerate, driven by increasing demand for precast concrete products due to higher productivity, faster delivery and better efficiencies in the construction of public infrastructures, residential housing and industrial buildings including data centres.

(ii) Offer

The Acquisition had resulted in an increase in the Offeror's shareholding in CEPCO from NIL as at the LTD to approximately 53.5%. Hence, as the Offeror has obtained control in CEPCO as a consequence of the Acquisition, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, the Offeror is obliged to undertake the Offer. Nevertheless, the Offeror **intends to maintain CEPCO's listing status** on the Main Market of Bursa Securities.

The Board's comments

The Board took cognisance from the Offer Document that, as at the Offer Document LPD, the YTL Cement Group (comprising the Offeror and its subsidiaries) is Malaysia's largest building materials group with a network of cement plants, terminals, ready-mixed concrete batching facilities, precast concrete manufacturing facilities, drymix operations and aggregate quarries. In addition to Malaysia, the YTL Cement Group has business presence in overseas market comprising Singapore, Vietnam, Indonesia, United Arab Emirates and Finland.

The Board also took cognisance that the Offer is made by the Offeror as a consequence of the Acquisition and is not intended to privatise CEPCO. Notwithstanding this, the Offer provides an equal opportunity for all the Holders to realise their investments in the Offer Shares, if the Holders wish to do so.

4.2 Listing Status of CEPCO

As set out in the Offer Document, the Offeror **intends to maintain CEPCO's listing status on the Main Market of Bursa Securities**. Accordingly, in the event that CEPCO does not comply with the Public Spread Requirement as a result of the Offer, the Offeror shall work together with CEPCO to explore various options or proposals to rectify the non-compliance with the Public Spread Requirement.

For clarity, any action to address the Public Spread Requirement may require the approvals of Bursa Securities and/or the shareholders of CEPCO. The actual course of action to be taken will depend on, among others, the circumstances as well as the prevailing market conditions at the relevant time.

Pursuant to paragraph 9.19(48) of the Listing Requirements, in the event the Offeror receives Valid Acceptances resulting in the Offeror and its associates holding in aggregate of 90% or more of the Shares, an immediate announcement will be made by CEPCO. Upon such immediate announcement, Bursa Securities shall, in the case where the Offeror intends to maintain the listing status of CEPCO, suspend trading of the Shares upon expiry of 30 Market Days from the date of such immediate announcement. The suspension will only be uplifted upon CEPCO's full compliance with the Public Spread Requirement or as may be determined by Bursa Securities.

The Board's comments

The Board took cognisance that the Offeror intends to maintain CEPCO's listing status on the Main Market of Bursa Securities. Accordingly, the Offeror will work together with CEPCO to address any shortfall in the Public Spread Requirement arising from the Offer, in order to ensure compliance with the public shareholding spread.

Should CEPCO be able to remain compliant with the public shareholding spread, Holders will be able to continue trading the CEPCO Shares after the Closing Date. However, there is no assurance that the market price and trading volume of the CEPCO Shares will be sustained at current levels after the Closing Date.

The Board also wished to highlight to the Holders that in the event the Offeror receives Valid Acceptances resulting in the Offeror and its associates holding in aggregate, 90% or more of the Shares, CEPCO will make an immediate announcement and trading in the CEPCO Shares will be suspended upon the expiry of 30 Market Days from the date of such announcement. The suspension will only be uplifted upon CEPCO's full compliance with the Public Spread Requirement or as may be determined by Bursa Securities. In this regard, Holders are advised to closely monitor all relevant announcements to be made by CEPCO, from time to time, in relation to the Offer.

4.3 Future Plans for the CEPCO Group and its Employees

The Offeror's future plans for the CEPCO Group and its employees are set out in **Section 6 of the Offer Document**, the summary details of which are set out below:

(i) Continuation of the CEPCO Group's business

The Offeror intends to continue with the CEPCO Group's existing businesses after the completion of the Offer. As at the Offer Document LPD, the Offeror has no immediate plans or intention to liquidate any company within the CEPCO Group. Notwithstanding this, the Offeror may, from time to time, review the CEPCO Group's structure and may consider liquidating dormant or non-operating companies within the CEPCO Group. As at the Offer Document LPD, no such decision has been made.

Holders are advised to note that, the Offeror had carried out a review of the CEPCO Group's businesses after the Acquisition. Based on the Offer Document, the Offeror has stated its intention to finalise its future plans and strategies for the CEPCO Group to embark on, including potential rationalisation and restructuring exercises of the CEPCO Group's existing businesses, after the completion of the Offer, where required.

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

The Offeror does not have any immediate plans or intention to introduce or effect any major change to the business of the CEPCO Group, dispose of any major assets or redeploy the fixed assets of the CEPCO Group, except where such change, disposal and/or redeployment is deemed necessary as part of the process to rationalise and restructure the business activities and/or directions of the CEPCO Group or to improve the utilisation of resources.

As at the Offer Document LPD, the Offeror has no knowledge of and has not entered into any negotiation or arrangement or understanding with any third party in relation to any major change to the CEPCO Group's business and assets or the shareholding structure of the CEPCO Group.

(iii) Employees of the CEPCO Group

The Offeror has no immediate plans to dismiss or make redundant any existing employee of the CEPCO Group as a direct consequence of the Offer. Notwithstanding this, subject to the review of the CEPCO Group's operations to be undertaken by the Offeror after the completion of the Offer, there may be actions taken as a result of the rationalisation and/or streamlining of business activities and/or to further improve efficiency of the operations of the CEPCO Group. Such actions, if required, will be carried out in accordance with relevant legislation and the terms of employment of the employees concerned.

In terms of Board composition, based on the Offer Document, the Offeror has stated its intention to nominate its representatives to the Board of CEPCO after the completion of the Offer. However, the number of such nominees and the arrangement thereof have not been finalised as at the Offer Document LPD. The Offeror also intends to review the composition of the Board of CEPCO following the completion of the Offer and may make such changes as it deems appropriate.

The Board's Comments

Based on the above, the Board is of the view that notwithstanding the potential rationalisation or restructuring exercises that the Offeror may plan for the CEPCO Group to implement, the CEPCO Group's business, major assets and employees are not expected to materially change after the Closing Date. Hence, the Board is of the view that the CEPCO Group's business will continue to operate as a going concern given the Offeror's intention as set out in the Offer Document.

4.4 Compulsory Acquisition and Rights of Dissenting Holders

Holdings are advised to take note that:

(i) **Compulsory Acquisition**

The Offeror does not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares for which Valid Acceptances have not been received on or before the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.

(ii) **Rights of Dissenting Holders**

Subject to Section 224 of the CMSA, Section 223 of the CMSA provides that if the Offeror receives Valid Acceptances from the Holders resulting in the Offeror and the PACs holding not less than nine-tenths (9/10) in the value of all the shares in CEPCO or of that class in CEPCO on or before the Closing Date, a Dissenting Holder may exercise his/her/its rights under subsection 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his/her/its Offer 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 Holder.

The Board's Comments

The Offeror does not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares for which Valid Acceptances have not been received on or before the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.

Notwithstanding the above and subject to Section 224 of the CMSA, in the event the Offeror receives Valid Acceptances from the Holders resulting in the Offeror and the PACs holding not less than nine-tenths (9/10) in the value of all the shares in CEPCO or of that class in CEPCO on or before the Closing Date, a Dissenting Holder may exercise his/her/its rights under subsection 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his/her/its Offer 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 Holder. If the Dissenting Holders do not or fail to exercise such rights within the stipulated period, they may continue to hold the CEPCO Shares as the Offeror do not intend to invoke Section 222(1) of the CMSA.

5. **INDEPENDENT ADVICE LETTER**

You are advised to read and consider the views and recommendation of Mercury Securities, the Independent Adviser appointed to provide its comments, opinions, information and recommendation on the Offer to the Board and you. The IAL is set out in **Part B of this IAC**.

6. **DISCLOSURE OF DIRECTORS' INTERESTS AND INTENTION IN RELATION TO THE OFFER**

As at the LPD, the Directors of CEPCO do not have any interest, direct or indirect, in the CEPCO Shares. Further, the Directors of CEPCO have no intention to deal in the CEPCO Shares until the completion of the Offer.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has reviewed and approved the contents of this IAC. The Board, collectively and individually, accepts full responsibility for the accuracy of the information contained in this IAC (save for the views and recommendation of Mercury Securities) and confirms that, after having made all reasonable enquiries and to the best of its knowledge, the opinions expressed herein have been arrived at after due and careful consideration and that there are no other facts the omission of which would render any information in this IAC false or misleading.

The Board's responsibility in respect of:

- (i) the information relating to the Offeror and the Offer (as extracted from the Offer Document and other publicly available information) is limited to ensuring that such information is accurately reproduced in this IAC; and
- (ii) the independent advice and opinion of Mercury Securities in relation to the Offer as set out in **Part B of this IAC** is limited to ensuring that accurate and complete information relating to the CEPCO Group has been provided to Mercury Securities for its evaluation of the Offer, and that there is no omission of any material fact which would render such information false or misleading.

8. THE BOARD'S RECOMMENDATION

Holders should consider carefully the merits and demerits of the Offer including the fairness and reasonableness evaluation of the Offer as set out in **Sections 6 and 7 of the IAL** as contained in **Part B of this IAC**.

Holders should also consider the following factors before making your decision:

- (i) Offeror's rationale of the Offer; and
- (ii) Offeror's future plans for the CEPCO Group's business and employees,

as set out in **Sections 9 and 11 of the IAL** as contained in **Part B of this IAC**.

After careful evaluation of the terms and conditions of the Offer as set out in the Offer Document and taking into consideration the evaluation and recommendation by Mercury Securities as set out in **Part B of this IAC**, the Board **CONCUR** with the opinion of Mercury Securities that the Offer is **FAIR** and **REASONABLE**. Accordingly, the Board recommends that the Holders **ACCEPT** the Offer.

However, the Board wishes to highlight to the Holders that the decision ultimately rest on the individual risk appetite and specific investment objectives. If you so wish, and subject to trading liquidity, you may consider disposing of your CEPCO Shares in the open market if the market prices of the Shares is higher than the Offer Price, after taking into account the associated transaction costs and the assumption that there will be no revision to the Offer Price.

HOLDERS ARE ADVISED TO CAREFULLY CONSIDER 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, RISK PROFILE AND PARTICULAR NEEDS OF ANY INDIVIDUAL HOLDER OR ANY SPECIFIC GROUP OF HOLDERS.

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

Yours faithfully
For and on behalf of the Board of
CONCRETE ENGINEERING PRODUCTS BERHAD

DATUK SERI TPR. HAJI MAHADI BIN C. NGAH
Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM MERCURY SECURITIES



Head Office

L-7-2, No. 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur

4 May 2026

To: The Board and Holders

Dear Sir/ Madam,

INDEPENDENT ADVICE LETTER IN RELATION TO THE UNCONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR, THROUGH CIMB INVESTMENT BANK, TO ACQUIRE THE OFFER SHARES AT THE OFFER PRICE

1. INTRODUCTION

Please refer to **Section 1 of Part A of this IAC** for the chronological events in relation to the Offer.

The purpose of this IAL is to provide you with our independent evaluation of the Offer, together with our recommendation thereon, subject to the scope of our role and limitations as specified in **Section 4** herein.

YOU ARE ADVISED TO CONSIDER CAREFULLY THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS IAC INCLUDING THIS IAL TOGETHER WITH THE OFFER DOCUMENT BEFORE MAKING A DECISION AS TO THE COURSE OF ACTION TO BE TAKEN.

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

THIS IAL IS SOLELY FOR THE USE OF THE BOARD AND 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. SALIENT TERMS AND CONDITIONS OF THE OFFER

Set out below are salient terms and conditions of the Offer:

Consideration : The consideration for the Offer is **RM2.60 per Offer Share**, and shall be satisfied wholly in cash in accordance with the method of settlement as stated in **Section 2.4 of the Offer Document**.

Notwithstanding the above, if CEPCO declares any Distribution before the Closing Date and Holders are entitled to retain such Distributions, the Offeror will reduce the Offer Price by an amount equivalent to the net Distribution per CEPCO Share that the Holders are entitled to retain in respect of their CEPCO Shares.

For clarity, as at the LPD, CEPCO has not declared any Distribution that is payable on or after the date of the Notice.

Butterworth - 1, Jalan Todak 5, Seberang Jaya, 13700 Prai, Penang.
Tel: 04-3838990 / 03-6203 7227 Fax: 04-3866255 / 03-6203 7117 E-mail: mercury@mersec.com.my Website: www.mercurysecurities.com.my
Kuala Lumpur - L-7-2, No. 2, Jalan Solaris, Solaris Mont' Kiara 50480 Kuala Lumpur.
Tel: 03-62037227 Fax: 03-62037117 E-mail: mercurykl@mersec.com.my
Melaka - No. 81, Ground Floor, 81A & 81B, Jalan Merdeka, Taman Melaka Raya, 75000 Melaka. Tel: 06-2921898 Fax: 06-2926898
Penang - 2nd Floor, 2, Lebuhr Pantai, 10300 Penang. Tel: 04-2639118 Fax: 04-2612118
Johor Bahru - Menara Pelangi, Suite 17.1, Level 17, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor. Tel: 07-3316992 Fax: 07-3322693

Holders may accept the Offer in respect of all or any part of the Offer Shares that they hold. The Offeror will not pay fractions of a sen to the Holders who accept the Offer. Entitlement to the cash payment will be rounded down to the nearest whole sen.

Condition of the Offer : The Offer is **not conditional** upon any minimum level of valid acceptances as the Offeror already owns more than 50% of the voting shares in CEPCO following the completion of the Acquisition.

Duration of the Offer : The Offer will remain open for acceptances until **5:00 p.m. (Malaysian time) on Wednesday, 13 May 2026**, being the First Closing Date, unless extended or revised in accordance with the Rules and the terms and conditions of the Offer Document.

Any such extension or revision will be announced by CIMB Investment Bank, on behalf of the Offeror, at least 2 days before the Closing Date. Notice of any such extension or revision will also be posted to the Holders accordingly.

Method of Settlement : Except with the consent of the SC and save for the Offeror's right to reduce the Offer Price as set out in **Section 2.1 of the Offer Document**, the Offeror will settle the consideration in full in accordance with the terms set out in the Offer Document without regard to any lien, right of set-off, counter-claim or other analogous rights to which the Offeror may be entitled against the Accepting Holder.

Where there are acceptance(s), settlement for the Offer Shares to which the Valid Acceptance(s) relate will be effected *via*:

- (i) remittance into the Accepting Holders' bank account, if the Accepting Holders have registered their bank account with Bursa Depository for the purposes of cash dividend/distribution. Accepting Holders are encouraged to register and/or update their bank account details with Bursa Depository in order to receive the consideration for the Offer Shares in their bank accounts; or
- (ii) otherwise, if the Accepting Holders have not registered such details with Bursa Depository prior to the date of complete and valid acceptances by the Accepting Holders in accordance with the terms and conditions set out in the Offer Document, remittance in the form of cheque, banker's draft or cashier's order which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at their registered Malaysian addresses last maintained with Bursa Depositor, at the Accepting Holder's own risk,

within 10 days from the date of such Valid Acceptances being received.

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

Holders are advised to refer to **Section 2 and Appendix I of the Offer Document** for other details on the terms and conditions of the Offer, as well as **Appendix II of the Offer Document** for the details on the procedures for accepting the Offer.

OFFEROR AND PACS

The Offeror is YTL Cement, a subsidiary of YTL Corp. As at the LPD, YTL Corp is a public listed company on the Main Market of Bursa Securities. Based on the Offer Document, as at the Offer Document LPD, the Offeror's substantial shareholders and directors comprise the following:

(i) Substantial shareholders of the Offeror

The Offeror's substantial shareholders comprise the following parties:

Name	Direct		Indirect	
	YTL Cement Shares	(c)%	YTL Cement Shares	(c)%
YTL Corp ^(a)	711,818,827	96.1	^(d) 26,010,457	^(d) 3.5
YTL SH ^(b)	-	-	^(e) 737,829,284	^(e) 99.6
YTL SF ^(b)	-	-	^(f) 737,829,284	^(f) 99.6
YTL ST ^(b)	-	-	^(g) 737,829,284	^(g) 99.6
Puan Sri Tan Kai Yong ^(b)	-	-	^(h) 737,829,284	^(h) 99.6

Notes:

- (a) Deemed as a PAC pursuant to subsection 216(3)(a) of the CMSA.
- (b) Deemed as a PAC pursuant to subsection 216(3)(f) of the CMSA.
- (c) Computed based on YTL Cement's total issued shares as at the Offer Document LPD of 740,651,498 shares.
- (d) Deemed interests by virtue of interests held through YTLPI pursuant to Section 8 of the Companies Act.
- (e) Deemed interests by virtue of interests held through YTL Corp and YTLPI pursuant to Section 8 of the Companies Act.
- (f) Deemed interests by virtue of interests held through YTL Corp and YTLPI pursuant to Section 8 of the Companies Act arising from its ownership of 100% of YTL SH.
- (g) Deemed interests by virtue of interests held through YTL Corp and YTLPI pursuant to Section 8 of the Companies Act arising from its ownership of 100% of YTL SF in its capacity as trustee.
- (h) Deemed interests by virtue of interests held through YTL Corp and YTLPI pursuant to Section 8 of the Companies Act arising from her beneficial interest (held through YTL ST in its capacity as trustee) in YTL SF.

(ii) Directors of the Offeror

The Offeror's directors comprise the following individuals:

- (a) Dato' Sri Yeoh Sock Siong;
- (b) Tan Sri (Sir) Yeoh Sock Ping;
- (c) Dato' Yeoh Seok Kian,
- (d) Dato' Seri Yeoh Seok Hong;
- (e) Dato' Yeoh Soo Keng;
- (f) Dato' Setia Yeoh Seok Kah;
- (g) Mej Jen Dato' Hj Abdul Shukor Bin Haji Jaafar;
- (h) Dato' Sri Haji Abd Rahim Bin Haji Abdul; and
- (i) Joseph Benjamin Seaton.

There is no ultimate offeror in relation to the Offer. As at the Offer Document LPD, the deemed PACs pursuant to subsection 216(3) of the CMSA who have an indirect interest in CEPCO Shares through the Offeror are as follows:

No.	Name	Description of relationship
(i)	YTL Corp	A shareholder of the Offeror, holding directly and indirectly, 99.6% equity interest in the Offeror.
(ii)	YTLSH	An indirect shareholder of the Offeror, by virtue of its 47.6% equity interest in YTL Corp.
(iii)	YTLSF	An indirect shareholder of the Offeror, by virtue of its ownership of 100% equity interest of YTLSH.
(iv)	YTLST	An indirect shareholder of the Offeror, by virtue of its ownership of 100% equity interest of YTLSF in its capacity as trustee.
(v)	Puan Sri Tan Kai Yong	An indirect shareholder of the Offeror arising from her beneficial interest (held through YTLST in its capacity as trustee) in YTLSF.

3. DETAILS OF ACCEPTANCES

As at the LPD, there is no announcement made by CIMB Investment Bank, on behalf of the Offeror, of any acceptances.

As at the Offer Document LPD, the Offeror and the PACs have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

4. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE OFFER

Mercury Securities was not involved in the formulation, deliberations, negotiations or discussions of the terms and conditions of the Offer. Our terms of reference as the Independent Adviser is limited to providing comments, opinions, information and recommendation on the Offer based on information and documents provided to us, or which are available to us, and making enquiries as were reasonable in the circumstances. In our assessment of the Offer, we have relied on the following information:

- (i) information contained in the Notice and the Offer Document;
- (ii) audited consolidated financial statements of CEPCO for the past 3 FYEs;

- (iii) unaudited consolidated financial statements of CEPCO for the 6-month FPE 28 February 2026;
- (iv) independent property valuation reports of CEPCO prepared by the Valuer;
- (v) discussions with and representations by the Board and management of CEPCO;
- (vi) relevant information, documents, confirmations and representations furnished to us by the Board and management of CEPCO; and
- (vii) other publicly available information which we deem to be relevant.

We have relied on the Board and management of CEPCO to take due care to ensure that all information, documents, confirmations and representations provided by them to facilitate our evaluation of the Offer are accurate, valid and complete in all material aspects. After making all reasonable enquiries, we are satisfied that sufficient information has been obtained and we have no reason to believe that the aforesaid information provided to us or which are available to us is unreliable, incomplete, misleading and/or inaccurate as at the LPD.

Our evaluation, as set out in this IAL, is rendered solely for the benefits of the Holders as a whole and not for any individual Holder or a specific group of Holders. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, financial situation, risk profile or particular needs of any individual Holder or any specific group of Holders. We recommend that any Holder who is in doubt as to the action to be taken in relation to the Offer in the context of his/her/its individual investment objectives, financial situation, risk profile or particular needs should consult his/her/its respective stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and recommendation as set out in this IAL are based on, amongst others, equity capital market, economic industry, regulatory and other prevailing conditions, and the information/documents made available to us as at the LPD or such other period specified herein. Such conditions may change significantly over a short period of time.

We shall immediately disclose to the SC in writing and notify the Holders by way of announcement(s) if, after despatching this IAC, as guided by subparagraph 11.07(1) of the Rules, we become aware that this IAC:

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

Pursuant to subparagraph 11.07(3) of the Rules, the disclosure and announcements referred to in subparagraph 11.07(1) of the Rules shall be made before 9 a.m. on the next Market Day.

If circumstances require, a supplemental IAC will be sent to you in accordance with subparagraph 11.07(2) of the Rules.

5. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) the term “**fair and reasonable**” should generally be analysed as 2 distinct criteria i.e. whether the Offer is “**fair**” and whether the Offer is “**reasonable**”, rather than as a composite term;
- (ii) the Offer is considered as “**fair**” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Shares. However, if the Offer Price is equal to or higher than the market price but is lower than the value of the Offer Shares, the Offer is considered as “**not fair**”. In making the assessment, the value of the Offer Shares is determined based on the assumption that 100% of the issued share capital of CEPCO is being acquired;
- (iii) in considering whether the Offer is “**reasonable**”, we have taken into consideration matters other than the valuation of the Offer Shares that are the subject of the Offer. Generally, a take-over offer would be considered “**reasonable**” if it is “**fair**”. Nevertheless, an independent adviser may also recommend the Holders to accept the Offer despite it being “**not fair**”, if the independent adviser is of the view that there are sufficiently strong reasons to accept the Offer in the absence of a higher bid and such reasons should be clearly explained; and
- (iv) in the event the independent adviser concludes that the Offer is “**not fair but reasonable**”, the independent adviser must clearly explain the following:
 - (a) what is meant by “**not fair but reasonable**”;
 - (b) how has the independent adviser reached to that conclusion; and
 - (c) the course of action that the Holders are recommended to take pursuant to the conclusion.

In evaluating the Offer, we have taken into consideration the following pertinent factors in forming our opinion of the Offer:

<u>Fairness of the Offer</u>	<u>Section in this IAL</u>
• Valuation of CEPCO Shares	6.1
• Historical market price performance of CEPCO Shares	6.2

<u>Reasonableness of the Offer</u>	<u>Section in this IAL</u>
• Historical trading volume of CEPCO Shares	7.1
• No alternative offer and level of control	7.2

6. FAIRNESS OF THE OFFER

6.1 Business overview

The CEPCO Group is principally involved in the business of manufacturing and distribution of prestressed spun concrete piles (which are mainly used as foundation structure for buildings, bridge embankments, ports and marine facilities), as well as spun poles (which are mainly used as integral components for telecommunication lines, power transmission and distribution network, traffic signal systems and street lighting infrastructure). Set out below is a summary of the CEPCO Group's historical financial performance for the past 3 FYEs and during its latest 6-month FPE 28 February 2026:

	Audited			Unaudited	
	FYE	FYE	FYE	6-month FPE	6-month FPE
	31 Aug 2023	31 Aug 2024	31 Aug 2025	28 Feb 2025	28 Feb 2026
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
– Malaysia	79,780	61,365	53,370	19,394	22,673
– Southeast Asia	52,900	42,608	6,055	3,108	1,091
	132,680	103,973	59,425	22,502	23,764
GP	30,234	24,085	18,578	2,258	7,645
PBT/ (LBT)	1,154	(4,612)	19,667	(8,522)	(217)
PAT/ (LAT) ^(a)	1,078	(4,615)	19,482	(8,562)	(236)

Note:

- (a) All subsidiaries of CEPCO are wholly-owned by CEPCO. Hence, there were no non-controlling interest in the CEPCO Group during the financial years and periods under review.

FYE 31 August 2024 vs FYE 31 August 2023

The CEPCO Group recorded total revenue of RM104.0 million in the FYE 31 August 2024, a decrease of approximately RM28.7 million or 21.6% as compared to the FYE 31 August 2023. The decrease was mainly due to lower sales arising from, amongst others, reduced customer spending budgets and cancellation of purchase orders following customers' construction projects being placed on-hold. As a result of lower revenue recorded, the Group's GP declined by RM6.1 million in the FYE 31 August 2024 as compared to the preceding financial year.

Overall, the CEPCO Group recorded a LBT of RM4.6 million for the FYE 31 August 2024. The weaker financial performance was primarily due to the decline in GP as mentioned above. No dividend was declared by the Board in respect of the FYE 31 August 2024.

FYE 31 August 2025 vs FYE 31 August 2024

The CEPCO Group recorded total revenue of RM59.4 million in the FYE 31 August 2025, a decrease of approximately RM44.5 million or 42.8% as compared to the FYE 31 August 2024. The decrease was mainly due to lower sales arising from, amongst others, reduced demand from overseas customers and postponement of deliveries by customers. As a result of lower revenue recorded, the Group's GP declined by RM5.5 million in the FYE 31 August 2025 as compared to the preceding financial year.

Notwithstanding the decline in GP, the CEPCO Group recorded a PBT of RM19.7 million in the FYE 31 August 2025. The improved financial performance was mainly due to:

- (i) fair value gains on revaluation of investment properties by RM11.1 million;

- (ii) waiver of debts from trade payables by RM5.6 million; and
- (iii) lower selling and distribution expenses by RM10.5 million (which was primarily attributable to export sales, as the Group adopted Freight on Board terms to mitigate exposure to rising freight and demurrage charges).

No dividend was declared by the Board in respect of the FYE 31 August 2025.

6-month FPE 28 February 2026 vs 6-month FPE 28 February 2025

The CEPCO Group recorded total revenue of RM23.8 million in the 6-month FPE 28 February 2026, an increase of approximately RM1.3 million or 5.6% as compared to the 6-month FPE 28 February 2025. The increase was mainly due to higher sales volumes from local customers. In view of higher revenue recorded, as well as improved cost management efforts, the Group's GP increased by RM5.4 million in the 6-month FPE 28 February 2026, as compared to the corresponding period in the preceding year.

Overall, the CEPCO Group recorded a narrower LBT of RM0.2 million for the 6-month FPE 28 February 2026, as compared to a LBT of RM8.5 million in the 6-month FPE 28 February 2025. The improved financial performance, as compared to the 6-month FPE 28 February 2025, was mainly due to higher GP recorded. No dividend was declared by the Board in respect of the financial period under review.

(Source: Annual reports of CEPCO and quarterly financial reports of CEPCO)

6.1.1 Selection of valuation methodology

In arriving at our valuation of the CEPCO Shares, we have considered, amongst others, the CEPCO Group's nature of business and its assets composition, as well as various commonly used business valuation methodologies such as the earnings-based valuation methodology (e.g. earnings-based multiple and discounted cash flows valuation methodologies) and asset-based valuation methodology (e.g. RNAV valuation methodology).

In selecting the most appropriate valuation methodology to estimate the fair value of the CEPCO Shares, we have considered the following key valuation methodologies:

Valuation methodology	Our assessment
Earnings valuation multiple	<ul style="list-style-type: none"> • This valuation methodology seeks to value a subject company based on its net earnings value, multiplied by the traded valuation multiples of its identified comparable companies. The commonly used valuation multiples are the price to earnings ratio and enterprise value to earnings before interest, tax, depreciation and amortisation ratio. • As this valuation method focuses on valuing the subject company based on its net earnings value, this method is mostly used to value subject company that generates stable net profit. <p>As elaborated in Section 6.1 above, the CEPCO Group's financial results for the past 3 FYEs were rather erratic. Further, although the CEPCO Group recorded a net profit in the FYE 31 August 2025, the net profit recorded was mainly due to exceptional items such fair value gains from investment properties and waiver of debts from trade payables. Hence, considering that the net profits generated in the FYE 31 August 2025 were not mainly deriving from the CEPCO Group's core business activities, we do not consider this valuation methodology to be the most suitable method.</p>

Valuation methodology	Our assessment
Discounted cash flows	<ul style="list-style-type: none"> • This valuation methodology seeks to value a subject company based on its estimated future free cash flows, discounted to present value. As this valuation method seeks to value the subject company based on its estimated future free cash flows, this method is mostly used to value subject company that is able to generate long-term and predictive future free cash flows. • Based on our discussions with the management of CEPCO, we note that, as at the LPD, there were no sizeable long-term sales contract being secured by the CEPCO Group. As such, in the absence of long-term secured sales contract and further considering that the CEPCO Group's historical financial results were rather erratic, estimation over the CEPCO Group's future free cash flows would require high degree of subjective assumptions. Hence, given that the CEPCO Group's future revenue and free cash flows may be difficult to estimate with certainty, we do not consider this valuation methodology to be the most suitable method.
RNAV	<ul style="list-style-type: none"> • This valuation methodology seeks to value a subject company based on the estimated market value of its underlying assets. Under this valuation method, each material asset of the subject company is separately revalued and the total net revaluation surplus or deficit derived from the revaluation performed will be added onto the subject company's NA so to arrive at its estimated fair value. This valuation methodology is most suitable for valuing subject company that holds substantial assets. • As tabulated in Section 6.1.2 below, we note that the CEPCO Group holds substantial assets in the form of material property assets, securities investments, inventories and trade receivables, which respectively accounted for 37.4%, 15.5%, 19.5% and 16.2% of the CEPCO Group's total asset value or 88.5% on an aggregated basis. As the CEPCO Group holds substantial assets, we are of the view that the RNAV valuation methodology is the most suitable valuation method to be used. Hence, we have selected the RNAV valuation methodology to estimate the fair value of the CEPCO Shares.

In applying the RNAV method, we have made the following key assumptions, which we are of the view that these bases and assumptions are appropriate and reasonable in assessing fair value of the CEPCO Shares on a fully revalued basis:

- (i) the CEPCO Group will continue to operate on a going concern basis and is expected to sustain its operations in perpetuity;
- (ii) the CEPCO Group will be able to obtain the required financing and working capital without any material adverse effects on its financial results, cash flows or business prospects;
- (iii) there will not be any significant or material increase in costs which is expected to have a material adverse effect on the CEPCO Group's financial results, cash flows or business prospects;
- (iv) there will be ready and committed buyers for each asset of the CEPCO Group at its fully revalued basis and the sales can be conducted efficiently without any timing constraints and other relevant market factors which may affect the sale process;

- (v) there will not be any material transaction costs associated with the sales of the CEPCO Group's assets other than the associated taxes;
- (vi) there will not be any significant or material changes to the agreements, contracts, approvals, licenses, permits and regulations governing the business activities of the CEPCO Group;
- (vii) there will not be any compulsory acquisition of the CEPCO Group's lands by the relevant state authorities pursuant to the Land Acquisition Act 1960;
- (viii) insurable risks relating to the CEPCO Group's business are and will continue to be appropriately covered by the relevant insurance policies and the sums insured are adequate;
- (ix) the current accounting policies adopted by the CEPCO Group will remain relevant and there will not be any significant changes in the accounting policies of CEPCO which may have a material adverse impact on its financial performance and financial position;
- (x) there will not be any significant or material changes to the CEPCO Group's business risks and effective measures will continue to be implemented to mitigate risks known to the CEPCO Group; and
- (xi) there will be no significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation, regulatory requirements of the property industry in Malaysia and applicable tax regimes or tax rates which may have an adverse effect on the financial performance and financial position of the CEPCO Group.

6.1.2 Assets composition

Based on CEPCO's unaudited consolidated statement of financial position as at 28 February 2026 (unaudited), as at that date, the CEPCO Group's assets comprise the following:

Assets compositions	Notes	Unaudited as at 28 February 2026	
		RM'000	%
<u>Material property assets</u>			
– Material lands and factory buildings	(a)	19,144	13.8
– Material investment properties	(b)	32,829	23.6
<u>Securities investment</u>			
– Investment in quoted shares	(c)	21,457	15.5
<u>Other assets</u>			
– Inventories	(d)	27,060	19.5
– Trade and other receivables	(e)	22,486	16.2
– Plant and machinery	(f)	6,209	4.5
– Long-term leased property	(g)	2,060	1.5
– Other investment properties	(h)	3,705	2.7
– Fixed deposit with a licensed bank		200	0.1
– Cash and bank balances		1,938	1.4
– Others		1,785	1.2
Total		138,873	100.0

Notes:

(a) Material Lands and Factory Buildings

Comprise the following property assets which are presently utilised by the CEPCO Group for its day-to-day manufacturing business:

No.	Property assets	Usage	RM'000
(1)	<u>A parcel of leasehold industrial land together with a concrete engineering product factory complex erected thereon</u> Address: PT 643, Batu 20, Jalan Ipoh, 48000 Rawang, Selangor	– Manufacturing of spun concrete piles and spun poles; – Office; and – Stockyard.	9,244
(2)	<u>A parcel of leasehold industrial land together with a concrete engineering product factory complex erected thereon</u> Address: PLO 337, Jalan Suasa, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor	– Manufacturing of spun concrete piles; – Office; – Boiler house; and – Stockyard.	6,717
(3)	<u>A parcel of leasehold industrial land, together with an industrial complex erected thereon</u> Address: Lot 7106, Kawasan Perindustrian Nilai, 71800 Nilai, Negeri Sembilan	– Manufacturing of spun concrete piles; – Office; and – Stockyard.	3,183
Total			19,144

RNAV analysis

Based on CEPCO's annual report for the FYE 31 August 2025, the above properties' carrying value were stated at historical costs net of accumulated depreciation.

Based on our discussion with the management of CEPCO, we note that CEPCO has appointed the Valuer to appraise the market value of the abovesaid property assets. Hence, in carrying out our RNAV valuation, we have reviewed the reasonableness of the valuation performed by the Valuer in arriving at the estimated market value of the abovesaid property assets. Please refer to **Section 6.1.3** below for our evaluation.

(b) Material Investment properties

Comprise the following the material investment properties which are currently held by the CEPCO Group for rental income and/or for capital gain purposes:

No.	Property assets	Usage	RM'000
(1)	<u>A parcel of leasehold industrial land together with a concrete engineering products factory complex erected thereon</u> Address: Lot 63, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah	– Investment. As at the LPD, this property is ^(aa) vacant.	18,246

No.	Property assets	Usage	RM'000
(2)	<u>A parcel of leasehold industrial land together with a concrete engineering products factory complex erected thereon</u> Address: Lot A3, Kawasan Perindustrian MIEL, 44300 Batang Kali, Selangor	– Investment. As at the LPD, this property is used as a ^(aa) warehouse.	9,200
(3)	<u>A residential condominium unit</u> Address: No. B-C-06-05, Impression U-Thant, U-Thant, Taman U-Thant, Kuala Lumpur	– Investment. As at the LPD, this property is ^(bb) vacant.	2,183
(4)	<u>A residential condominium unit</u> Address: Unit No. 4A-10-04, Bungaraya Condominium, Persiaran Golf, Saujana Resort, Section U2, 40150 Shah Alam, Selangor	– Investment. As at the LPD, this property is ^(bb) vacant.	2,000
(5)	<u>A 2-storey semi-detached house</u> Address: No. 2, Jalan Ecohill 3/2B, Setia Ecohill, 43500 Semenyih, Selangor	– Investment. As at the LPD, this property is ^(bb) vacant.	1,200
Total			32,829

Notes:

- (aa) These property assets were previously utilised by the CEPCO Group for its day-to-day manufacturing activities. However, these property assets were subsequently re-classified as investment properties in the FYE 31 August 2025, as they were no longer utilised by the CEPCO Group for its day-to-day manufacturing activities.
- (bb) These property assets were acquired by the CEPCO Group as part settlement of long outstanding invoices from previous trade debtors. As at the LPD, the CEPCO Group is in the midst of identifying suitable tenants or buyers for these property assets in order to optimise the investment values of these property assets to the Group.

RNAV analysis performed

Based on CEPCO's annual report for the FYE 31 August 2025, we note that the CEPCO Group revalued its investment properties on an annual basis based on market values determined by the appointed independent property valuer (i.e. the Valuer).

We wish to highlight the following:

(i) Investment properties listed as No. 1, No. 2, No. 4 and No. 5 above

We note that the investment properties listed as items 1, 2, 4 and 5 above have been revalued by CEPCO in its latest financial year of FYE 31 August 2025. Hence, their respective carrying value reflect current market value.

Notwithstanding the above, as part of our RNAV valuation analysis, we have reviewed the reasonableness of the valuation performed by the Valuer in arriving at the estimated market value of these investment properties. Please refer to **Section 6.1.3** below for our evaluation.

(ii) Investment properties No. 3 above

Investment property labelled as No. 3 above is a newly completed condominium unit at Taman U-Thant with vacant possession obtained in March 2026. As such, there were no revaluation being performed by CEPCO on this property asset in its latest financial year of FYE 31 August 2025. In this regard, the carrying value of this asset was stated at costs in the FYE 31 August 2025.

Considering that this property asset is a newly built property asset with vacant possession newly obtained in March 2026, we are of the view that its carrying value is a reasonable approximation to current market value. Accordingly, we have adopted its carrying value as a reasonable approximation to fair value.

(c) Securities investment

Comprise CEPCO's holding of 51,088,000 Inch Kenneth Shares as at the financial reporting date of 28 February 2026. The carrying value of such securities investment was calculated based on 51,088,000 Inch Kenneth Shares held as at 28 February 2026 and the closing market price of Inch Kenneth Share as at 28 February 2026 of RM0.42 each.

For clarity, subsequent to the financial reporting date of 28 February 2026, CEPCO had on 17 March 2026 divested 48,000,000 Inch Kenneth Shares for the Settlement exercise. Please refer to **Section 6.1.3** below for further details.

RNAV analysis

Inch Kenneth is presently a public listed company on the Main Market of Bursa Securities. As the Inch Kenneth Shares are publicly traded securities, as part of our RNAV valuation analysis, we have revalued the current market value of these securities investment. Please refer to **Section 6.1.3** below for our evaluation.

(d) Inventories

Comprise the following:

Inventories	RM'000
Raw materials ^(aa)	10,444
Finished goods ^(bb)	16,616
Total	27,060

Notes:

(aa) Comprise mainly raw materials for manufacturing of prestressed spun concrete piles and spun poles such as flange, prestressed concrete bar, end plate, aggregate, cement, sand, piles shoe and hard drawn wire.

(bb) Comprise mainly prestressed spun concrete piles and spun poles that are ready for sales.

The CEPCO Group measures the carrying value of its inventories at the lower of cost or net realisable value, of which, net realisable value is estimated based on expected selling prices of the inventories less estimated costs necessary to make the sales. In estimating the expected selling prices of inventories, the management of CEPCO will take into account, amongst others, recent sales transactions, current market conditions, prevailing selling prices of similar products and anticipated future demand.

According to the CEPCO Group's accounting policy, if inventories' net realisable value falls below its cost value (due to reasons such as damage, obsolescence and/or price declines), the prevailing carrying value of inventories will be written down.

Based on our discussions with the management of CEPCO, the recent surge in fuel prices, which mainly arose from the geopolitical tension in the Middle East, is expected to result in higher production costs. Higher production costs may potentially lead to higher future selling prices of inventories, and a more competitive business environment. Apart from this, there are no other key factors that may indicate a material change in the condition and/or net realisable value of the CEPCO Group's inventories.

Considering that the recent surge in fuel prices is a global market risk factors (i.e. a systematic risk), we envisage that, with proper sales and marketing strategies being put in place, the CEPCO Group is expected to be able to pass on some of the increased production costs to customers. As such, we are of the considered view that the prevailing carrying value of inventories to be realisable in the CEPCO Group's ordinary course of business, otherwise a write-down provision should have been imputed by CEPCO. Accordingly, we have adopted the prevailing carrying value of inventories as a reasonable approximation to its fair value.

(e) Trade and other receivables

Comprise the following:

Receivables	RM'000
Trade receivables	21,478
Other receivables, deposit and prepayment	1,008
Total	22,486

The CEPCO Group reviews the carrying value of its trade and other receivables at the end of each reporting period for impairment tests. Based on our discussions with the management of CEPCO, adequate allowances have been provided for all outstanding receivables as at the LPD and therefore, carrying value of the abovesaid receivables are deemed realisable. Hence, we have adopted its carrying value as a reasonable approximation to fair value.

(f) Plant and machinery

Comprise mainly plant, equipment and machinery utilised by the CEPCO Group for its day-to-day manufacturing of spun concrete piles and spun poles operations. These assets are presently stated at costs less accumulated depreciation and they generally do not appreciate in value over time.

Based on our discussion with the management of CEPCO, we note that there was no material deterioration in the working conditions these assets. Hence, we have adopted the carrying value of these assets as a reasonable approximation to fair value.

(g) Long-term leased property

Comprise a parcel of vacant leasehold industrial land that CEPCO currently leases from the landowner, namely Johor Corporation, over a long-term lease of 30 years from 24 December 2021 to 23 December 2051. This property asset has a titled land area of 108,900 sq ft, bearing postal address of PLO 461, Jalan Suasa, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor, and is presently utilised by CEPCO as its stock yard.

Based on our discussion with the management of CEPCO, we note that there were no material changes to the lease term of this property asset. Hence, we have adopted the carrying value of this property asset, which is currently stated at cost less accumulated depreciation, as a reasonable approximation to fair value.

(h) Other investment property assets

Comprise the following the material investment properties which are currently held by the CEPCO Group for rental income and/or for capital gain purposes:

No.	Property assets	Usage	RM'000
(1)	<u>9 units of residential apartment units</u> Address: Danau Putra Apartments, Jalan Putra Perdana 5F, Taman Putra Perdana, 47130 Puchong, Selangor	– Investment. As at the LPD, these properties are vacant.	966
(2)	<u>8 parcels of freehold vacant industrial land</u> Location: Pekan Lukut, District of Port Dickson, Negeri Sembilan	– Investment. As at the LPD, these properties are vacant.	849
(3)	<u>3 units of intermediate 2-storey terrace house</u> Address: No. 11; No. 31; No. 42, all within Jalan 10/11, Taman Air Biru, 81700 Pasir Gudang, Johor	– Investment. As at the LPD, these properties are vacant.	750
(4)	<u>Shop lot</u> Address: No. I-G-02, Jalan PPK 2, Bandar Kinrara, Section 3, Puchong, Selangor	– Investment. As at the LPD, this property is vacant.	350
(5)	<u>A residential condominium unit</u> Address: Unit B1-5-7, Block B1, Pandan Mewah Heights, Jalan Mewah Utara, Taman Pandan Mewah, 68000 Ampang, Selangor	– Investment. As at the LPD, this property is rented out to 3 rd party tenant.	330
(6)	<u>3 units of apartments</u> Address: Unit No. A-3-3, Block A; Unit No. A-1-6, Block A; Unit No. LA-3-2, Block LA; all within Jalan Nilai Perdana 11, Taman Nilai Perdana, 71800 Nilai, Negeri Sembilan	– Investment. As at the LPD, 2 units of these properties are rented out to 3 rd party tenants.	220

No.	Property assets	Usage	RM'000
(7)	<u>An apartment unit</u> Address: No. 1-4B, Block C, Jalan SP 5/4, Taman Serdang Perdana, Seksyen 5, 43300 Seri Kembangan, Selangor	– Investment. As at the LPD, this property is vacant.	150
(8)	<u>An one and a half storey corner terrace house</u> Address: No. 2, Jalan Chamar 1B/2, Lembah Beringin, 44100 Kuala Kubu Baru, Selangor	– Investment. As at the LPD, this property is vacant.	90
Total			3,705

The above investment property assets are not material property assets of the Group as their respective individual carrying value constitute to less than 1% of the Group's total assets value.

Based on CEPCO's annual report for the FYE 31 August 2025, we note that the CEPCO Group revalued its investment properties on an annual basis based on market values of the respective properties as determined by an independent property valuer (i.e. the Valuer).

As such, given that the abovesaid investment properties have been recently revalued in CEPCO's latest financial year of FYE 31 August 2025, we are of the view that the carrying value of these investment properties respectively reflect their current market values. As such, we have adopted the carrying value of these assets as a reasonable approximation to fair value.

6.1.3 RNAV valuation

6.1.3.1 RNAV valuation of material property assets

We note that CEPCO had appointed the Valuer to appraise the market value of its property assets for financial reporting purposes in accordance with the requirements of MFRS 13: Fair Value Measurement.

In carrying out our RNAV valuation, we have reviewed the valuation reports prepared by the Valuer for the material property assets of the CEPCO Group as set out in notes (a) and (b) of **Section 6.1.2** above. We wish to highlight the following salient information:

(i) Valuation Date

The valuation date adopted was 30 August 2025, being the immediate day prior to the end of FYE 31 August 2025. In our view, considering the valuation date is less than 12 months from the LPD, we are satisfied that the appraised market value of the respective property would still provide a reasonable approximation to current market value as at the LPD.

(ii) Basis of valuation

The basis of valuation adopted is "Market Value", which is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The valuation was made in conformity with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

(iii) Valuation methodology

The Valuer had adopted the following valuation methodologies, where applicable, in arriving at the valuations of the relevant material property assets of the CEPCO Group:

<u>Method of Valuation</u>	<u>Description</u>
Cost method	<p>This valuation methodology seeks to ascertain the value of the property through the summation of the value components of the land and cost of building.</p> <p>Under this valuation methodology, market value of the subject property's land and buildings are separately valued as follows:</p> <ul style="list-style-type: none">(i) in determining the value of the land, the analysed apportionment value attributable to the land is adopted as described in the comparison method, whilst making due allowances to factors of location, plot size, accessibility and other relevant factors; and(ii) in determining the cost of building, current estimates on constructional costs to erect equivalent buildings are adopted, taking into consideration of similar accommodation in terms of size, construction, finishes, contractors' overheads, fees and profits. Appropriate adjustments are then made for factors of obsolescence and existing physical condition of the building.
Comparison method	<p>This valuation methodology seeks to determine the market value of the subject property with reference to transaction prices of similar properties that were either transacted recently, and after adjusting for differences in key factors such as location, time, plot size, improvements made (if any), surrounding developments, facilities and amenities available.</p>

Based on our review of the valuation reports, we are of the view that the valuation methodology, as well as the key bases and assumptions used by the Valuer in arriving at the market value of the respective material properties of the CEPCO Group, are reasonable, appropriate and consistent with generally applied valuation methodologies. As such, we are satisfied with the reasonableness of the Valuer's valuation analysis and have relied upon such valuations for the purpose of computing the fair value of the CEPCO Group.

For clarity, save for the material property assets as set out in notes (a) and (b) of **Section 6.1.2** above, we have not performed a RNAV valuation analysis on other investment property assets of the CEPCO Group. This is in view that, the carrying value of other investment property assets of the CEPCO Group as set out in note (h) of **Section 6.1.2** above, collectively constituted to less than 3% of the CEPCO Group's total assets value. Hence, any revaluation surplus or deficits are not expected to have a material impact to our RNAV valuation of the CEPCO Shares.

Set out below are RNAV valuation of the CEPCO Group's material property assets:

Material Land and Factory Buildings

No.	Description	Valuation method	Market value	Unaudited carrying value as at 28 February 2026	Gross revaluation surplus	① Deferred tax	Net revaluation surplus
(1)	<p>Brief description : A parcel of leasehold industrial land together with a concrete engineering product factory complex erected thereon</p> <p>Registered owner : CEPCO</p> <p>Lot/Title No. : PT 643 held under title no. HSD1364, Mukim Serendah, District of Ulu Selangor, State of Selangor</p> <p>Property address : PT 643, Batu 20, Jalan Ipoh, 48000 Rawang, Selangor</p> <p>Occupancy : This property asset is currently utilised by CEPCO for manufacturing of spun concrete piles and spun poles, as well as office and stockyard</p> <p>Land area : Approximately 494,146 sq ft</p> <p>Floor area : Approximately 157,260 sq ft</p> <p>Tenure : Leasehold industrial land with its lease term expiring on 11 June 2057</p> <p>Date of acquisition : 23 June 1993</p> <p>Date of valuation : 30 August 2025</p>	<p>② Cost method</p>	<p>RM'000 Land 15,100 (comparison method)</p> <p>Building 8,900 (replacement cost method)</p>	<p>RM'000 Land 3,487</p> <p>Building 5,757</p>	<p>RM'000 14,756</p>	<p>RM'000 (1,476)</p>	<p>RM'000 13,280</p>

No.	Description	Valuation method	Market value	Unaudited carrying value as at 28 February 2026	Gross revaluation surplus	(a)Deferred tax	Net revaluation surplus
(2)	<p>Brief description : A parcel of leasehold industrial land together with a concrete engineering product factory complex and a jetty erected thereon</p> <p>Registered owner : CEPCO</p> <p>Lot/Title No. : PTD 90007 held under title no. HSD162756, Mukim Plentong, District of Johor Bahru, Johor</p> <p>Property address : PLO 337, Jalan Suasa, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor</p> <p>Occupancy : This property asset is currently utilised by CEPCO for manufacturing of spun concrete piles, as well as office, boiler house, jetty and stockyard</p> <p>Land area : Approximately 326,695 sq ft</p> <p>Floor area : Approximately 86,199 sq ft</p> <p>Tenure : Leasehold industrial land with its lease term expiring on 20 May 2050</p> <p>Date of acquisition : 31 August 1995</p> <p>Date of valuation : 30 August 2025</p>	(c)Cost method	<p>RM'000</p> <p><u>Land</u></p> <p>21,600 (comparison method)</p> <p><u>Building</u></p> <p>5,900 (replacement cost method)</p>	<p>RM'000</p> <p><u>Land</u></p> <p>1,706</p> <p><u>Building</u></p> <p>5,011</p>	<p>RM'000</p> <p>20,783</p>	<p>RM'000</p> <p>(2,078)</p>	<p>RM'000</p> <p>18,705</p>

No.	Description	Valuation method	Market value	Unaudited carrying value as at 28 February 2026	Gross revaluation surplus	(a) Deferred tax	Net revaluation surplus
(3)	<p>Brief description : A parcel of leasehold industrial land, together with an industrial complex erected thereon</p> <p>Registered owner : CEPCO</p> <p>Lot/Title No. : Lot 746 held under title no. PN6238, Pekan Nilai, District of Seremban, Negeri Sembilan</p> <p>Property address : Lot 7106, Kawasan Perindustrian Nilai, 71800 Nilai, Negeri Sembilan</p> <p>Occupancy : This property asset is currently utilised by CEPCO for manufacturing of spun concrete piles, as well as office and stockyard</p> <p>Land area : Approximately 292,165 sq ft</p> <p>Floor area : Approximately 70,329 sq ft</p> <p>Tenure : Leasehold industrial land with its lease term expiring on 19 August 2089</p> <p>Date of acquisition : 16 March 2007</p> <p>Date of valuation : 30 August 2025</p>	(d) Cost method	<p>RM'000</p> <p><u>Land</u></p> <p>17,500 (comparison method)</p> <p><u>Building</u></p> <p>3,800 (replacement cost method)</p>	<p>RM'000</p> <p><u>Land</u></p> <p>1,280</p> <p><u>Building</u></p> <p>1,903</p>	<p>RM'000</p> <p>18,117</p>	<p>RM'000</p> <p>(1,812)</p>	<p>RM'000</p> <p>16,305</p>

Notes:

- (a) Given that these property assets were acquired for more than 6 years, the net revaluation surplus is arrived at after taking into account a 10% provision for real property gains tax.

(b) Salient details on the valuation are as follows:

Component	Methodology	Remark
Land	Comparison	The land valuation was derived based adjusted value of 3 selected comparable industrial land sales within Mukim Serendah as identified by the Valuer, which ranged between RM25.81 per sq ft to RM33.72 per sq ft. The adopted value for purposes of this valuation was RM30.50 per sq ft.
Building	Replacement cost	Based on the JUBM Group Construction Cost Handbook Malaysia 2025 (“ JUBM Construction Handbook 2025 ”), current construction cost for a new similar industrial building ranged between RM140.00 per sq ft to RM200.00 sq ft. For purposes of this valuation, the Valuer adopted a RM120.00 per sq ft building costs for main building.

(c) Salient details on the valuation are as follows:

Component	Methodology	Remark
Land	Comparison	The land valuation was derived based adjusted value of 3 selected comparable industrial land sales within Mukim Plentong identified by the Valuer, which ranged between RM43.81 per sq ft to RM66.09 per sq ft. The adopted value for purposes of this valuation was RM66.00 per sq ft.
Building	Replacement cost	Based on the JUBM Construction Handbook 2025, current construction cost for a new similar industrial building ranged between RM140.00 per sq ft to RM200.00 per sq ft. For purposes of this valuation, the Valuer adopted a RM150.00 per sq ft building costs for main building.

(d) Salient details on the valuation are as follows:

Component	Methodology	Remark
Land	Comparison	The land valuation was derived based adjusted value of 4 selected comparable industrial land sales within Mukim Setul and Bandar Baru Nilai identified by the Valuer, which ranged between RM56.02 per sq ft to RM61.95 per sq ft. The adopted value for purposes of this valuation was RM60.00 per sq ft.
Building	Replacement cost	Based on the JUBM Construction Handbook 2025, current construction cost for a new similar industrial building ranged between RM140.00 per sq ft to RM200.00 per sq ft. For purposes of this valuation, the Valuer adopted a lower building costs of RM100.00 per sq ft for the main building, considering the implementation of practical and durable basic finishes suitable for the heavy-duty operation environment required for concrete product manufacturing.

Material Investment Properties

Set out below are summary details of the CEPCO Group's material investment properties, together with information on the valuation methodology adopted by the Valuer in arriving at the market value of the respective investment property asset. As the market value of these material investment properties have been reflected in the latest unaudited financial results of CEPCO for the 28 February 2026, there are no revaluation surprise/(deficits) to be imputed in our RNAV analysis of the CEPCO Shares:

No.	Description	Valuation method	Market value RM'000	Unaudited carrying value as at 28 February 2026 RM'000
(1)	<p>Brief description : A parcel of leasehold industrial land together with a concrete engineering products factory complex erected thereon</p> <p>Registered owner : CEPCO</p> <p>Lot/Title No. : Lot 63 held under title no. HSD20/1984, Mukim Sungai Pasir, District of Kuala Muda, Kedah</p> <p>Property address : Lot 63, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah</p> <p>Land area : Approximately 574,992 sq ft</p> <p>Floor area : Approximately 83,325 sq ft</p> <p>Tenure : Leasehold industrial land with its lease term expiring on 24 July 2083</p> <p>Occupancy : Vacant</p> <p>Date of acquisition : 25 July 1984</p> <p>Date of valuation : 30 August 2025</p>	(a) Cost method	<p>RM'000</p> <p>Land 13,200 (comparison method)</p> <p>Building 4,400 (replacement cost method)</p>	(b) 18,246

No.	Description	Valuation method	Market value RM'000	Unaudited carrying value as at 28 February 2026 RM'000
(2)	<p>Brief description : A parcel of leasehold industrial land together with a concrete engineering products factory complex erected thereon</p> <p>Registered owner : CEPCO</p> <p>Lot/Title No. : PT 2100 held under title no. HSM 1653, Mukim Batang Kali, District of Hulu Selangor, Selangor</p> <p>Property address : Lot A3, Kawasan Perindustrian MIEL, 44300 Batang Kali, Selangor</p> <p>Land area : Approximately 336,921 sq ft (net of land acquisition by the Government of Malaysia for a total land area of approximately 10,742 sq ft)</p> <p>Floor area : Approximately 53,059 sq ft</p> <p>Tenure : Leasehold industrial land with its lease term expiring on 13 October 2052</p> <p>Occupancy : Occupied as a warehouse</p> <p>Date of acquisition : 24 August 2010</p> <p>Date of valuation : 30 August 2025</p>	(e) Cost method	<p>RM'000</p> <p>Land 5,200 (comparison method)</p> <p>Building 4,000 (replacement cost method)</p>	9,200

No.	Description	Valuation method	Market value RM'000	Unaudited carrying value as at 28 February 2026 RM'000
(3)	<p>Brief description : A residential condominium unit</p> <p>Registered owner : CEPCO</p> <p>Lot/Title No. : Lot 81 held under Strata Title No. Geran 40246/M4/10/207, Bandar Saujana, District of Petaling, Selangor</p> <p>Property address : Unit No. 4A-10-04, Bungaraya Condominium, Persiaran Golf, Saujana Resort, Section U2, 40150 Shah Alam, Selangor</p> <p>Strata floor area : Approximately 4,004 sq ft</p> <p>Tenure : Freehold</p> <p>Occupancy : Vacant</p> <p>Date of acquisition : 28 May 2021</p> <p>Date of valuation : 30 August 2025</p>	Comparison method	<p>RM'000</p> <p>(d)2,000</p>	2,000

No.	Description	Valuation method	Market value RM'000	Unaudited carrying value as at 28 February 2026 RM'000
(4)	<p>Brief description : A 2-storey semi-detached house</p> <p>Registered owner : CEPCO</p> <p>Lot/Title No. : PT40974 held under title no. HSD164884, Mukim Semenyih, District of Ulu Langat, Selangor</p> <p>Property address : No. 2, Jalan Ecohill 3/2B, Setia Ecohill, 43500 Semenyih, Selangor</p> <p>Land area : Approximately 3,760 sq ft</p> <p>Floor area : Approximately 2,132 sq ft</p> <p>Tenure : Freehold</p> <p>Occupancy : Vacant</p> <p>Date of acquisition : 2 August 2021</p> <p>Date of valuation : 30 August 2025</p>	Comparison method	RM'000 (e)1,200	1,200

Notes:

- (a) Salient details on the valuation are as follows:

<u>Component</u>	<u>Methodology</u>	<u>Remark</u>
Land	Comparison	The land valuation was derived based adjusted value of 3 selected comparable industrial land sales within Bandar Sungai Petani as identified by the Valuer, which ranged between RM11.35 per sq ft to RM23.78 per sq ft. The adopted value for purposes of this valuation was RM23.00 per sq ft.
Building	Replacement cost	Based on the JUBM Construction Handbook 2025, current construction cost for a new similar industrial building ranged between RM150.00 per sq ft to RM200.00 per sq ft. For purposes of this valuation, the Valuer adopted a lower building costs of RM100.00 per sq ft for the main building, considering the implementation of practical and durable basic finishes suitable for the heavy-duty operation environment required for concrete product manufacturing.

- (b) The carrying value of this property asset is higher than its estimated market value as appraised by the Valuer. The difference is due to capitalisation of subsequent improvement costs incurred by the CEPCO Group.

- (c) Salient details on the valuation are as follows:

<u>Component</u>	<u>Methodology</u>	<u>Remark</u>
Land	Comparison	The land valuation was derived based adjusted value of 3 selected comparable industrial land sales within Ulu Yam and Bandar Rasa as identified by the Valuer, which ranged between RM14.10 per sq ft to RM16.40 per sq ft. The adopted value for purposes of this valuation was RM15.00 per sq ft.
Building	Replacement cost	Based on the JUBM Construction Handbook 2025, current construction cost for a new similar industrial building ranged between RM140.00 per sq ft to RM200.00 per sq ft. For purposes of this valuation, the Valuer adopted a lower building costs of between RM110.00 per sq ft to RM120.00 per sq ft for the main building, considering the implementation of practical and durable basic finishes suitable for the heavy-duty operation environment required for concrete product manufacturing.

- (d) The valuation was derived based adjusted value of 4 selected comparable condominium unit sales within Bungalow Condominium as identified by the Valuer, which ranged between RM484.11 per sq ft to RM540.69 per sq ft. The adopted value for purposes of this valuation was RM516.97 per sq ft.

- (e) The land valuation was derived based adjusted value of 5 selected comparable semi-detached house sales within Setia Ecohill as identified by the Valuer, which ranged between RM178.47 per sq ft to RM227.50 per sq ft. The adopted value for purposes of this valuation was RM225.00 per sq ft. The building costs was estimated based on the building costs of the same comparables which ranged between RM100.00 per sq ft to RM200.00 per sq ft.

6.1.3.2 RNAV of Securities Investments

As at 28 February 2026, the CEPCO Group's securities investments comprised 51,088,000 Inch Kenneth Shares, representing approximately 13.5% equity interest in Inch Kenneth.

Notwithstanding the above, we note that CEPCO had on 17 March 2026 divested part of its Inch Kenneth Shares held for a debt settlement exercise. Further details on our RNAV valuation analysis is as follows:

(i) Divestment of 48,000,000 Inch Kenneth Shares

On 17 March 2026, CEPCO announced that it had on even date entered into a settlement agreement with Dato' Muhamad Fasri Samsudin, a creditor of the CEPCO Group, for settlement of an outstanding debt totalling RM16.8 million, *via* transfer of 48,000,000 Inch Kenneth Shares, representing approximately 12.7% equity interest in Inch Kenneth, to the said creditor.

The Settlement was completed on 17 March 2026, at a loss of RM3.4 million as set out below:

	<u>Formula</u>	
No. of Inch Kenneth Shares divested	(A)	48,000,000
Agreed disposal price of Inch Kenneth Share (RM)	(B)	0.3500
Agreed value of Inch Kenneth Shares divested (RM)	(C) = (A)*(B)	<u>16,800,000</u>
Less: Carrying value of the divested Inch Kenneth Shares as at 28 February 2026 (RM)	(D)	(20,160,000)
Loss from the Settlement (RM)	(E) = (C)-(D)	<u>(3,360,000)</u>

(ii) RNAV of remaining 3,088,000 Inch Kenneth Shares held

As at the LTD, CEPCO holds 3,088,000 Inch Kenneth Shares, representing approximately 0.7% equity interest in Inch Kenneth. Given that the Inch Kenneth Shares are publicly traded securities, we have revalued its market value based on the 5-day VWAP of Inch Kenneth Shares as at the LTD using the mark to market valuation methodology, as follows:

	<u>Formula</u>	
No. of Inch Kenneth Shares held as at the LTD	(A)	3,088,000
5-day VWAP of Inch Kenneth Shares as at the LTD (RM)	(B)	0.3524
Total market value of the Inch Kenneth Shares held (RM)	(C) = (A)*(B)	<u>1,088,211</u>
Less: Carrying value of remaining Inch Kenneth Shares held as at 28 February 2026 (RM)	(D)	(1,296,960)
Valuation deficit (RM)	(E) = (C)-(D)	<u>(208,749)</u>

Premised on the above, we derived total revaluation deficits of RM3.6 million comprising the following:

RNAV analysis of the CEPCO Group's securities investment	RM'000
– Loss from the Settlement	(3,360)
– Valuation deficit arising from the revaluation of remaining 3,088,000 Inch Kenneth Shares	(209)
Total revaluation deficits	(3,569)

6.1.4 Fair value of the CEPCO Shares

Based on our RNAV valuation methodology, we derived that the estimated fair value per CEPCO Share is RM1.77, as follows:

	RM'000
The CEPCO Group's unaudited NA as at 28 February 2026	87,104
Add: Net revaluation surplus/(deficit) arising from the following:	
(i) Revaluation of material property assets	48,290
(ii) Revaluation of securities investments	(3,569)
Estimated RNAV of the CEPCO Group	131,825
Estimated fair value per CEPCO Share (RM)	(a)1.77
Premium represented by the Offer Price:	
• RM	0.83
• %	46.9

Note:

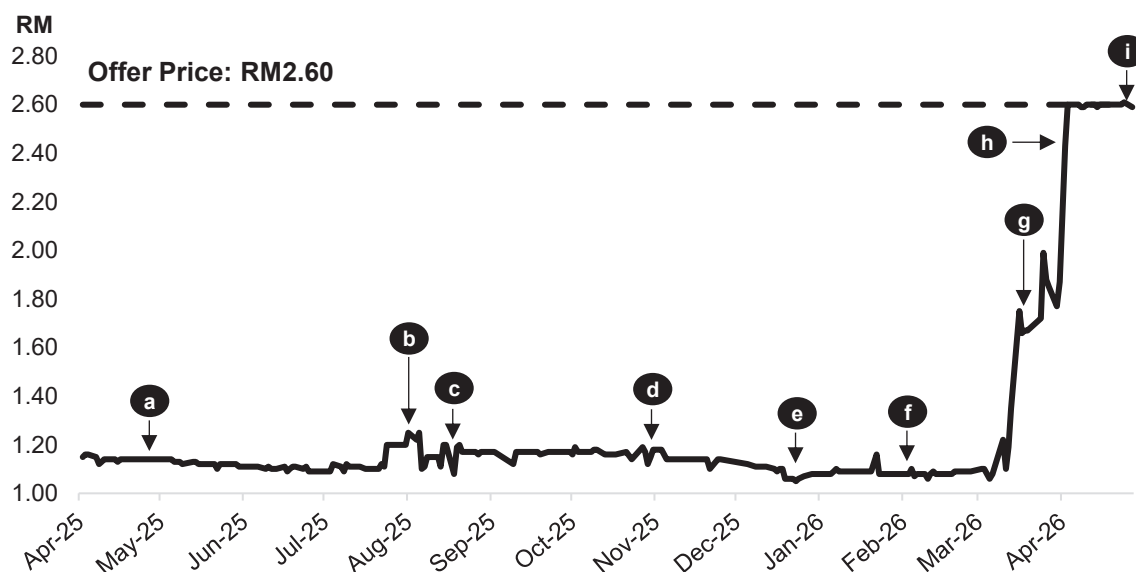
(a) Calculated based on CEPCO's total issued shares as at the LTD of 74,624,608 shares.

Based on the above, the Offer Price of RM2.60:

- (i) represents a **premium** of RM0.83 or 46.9% to the estimated fair value per CEPCO Share of RM1.77; and
- (ii) RM1.43 or 122.2% higher than CEPCO's latest announced consolidated NA per Share of RM1.17 as at 28 February 2026 (unaudited).

6.2 Historical Market Price of the CEPCO Shares

In evaluating the Offer, we have taken into consideration the movement of the closing market prices of the CEPCO Shares over the past 12 months prior to the date of the Notice and up to the LPD as follows:



(Source: Bloomberg)

Based on the above, the Offer Price is higher than the daily closing prices of the CEPCO Shares for the past 12 months prior to the LTD, which ranged between RM1.05 to RM1.99 (source: Bloomberg).

Save as disclosed below, we have not noted any other significant event being announced by CEPCO for the past 12 months prior to the LTD and up to the LPD, which may have a material effect on the market prices of the CEPCO Shares during the said period:

Annotation	Date	Significant Event
(a)	30 Apr 2025	Announcement on the quarterly financial results of the CEPCO Group for the 6-months FPE 28 February 2025, wherein CEPCO recorded a quarterly LAT of RM2.6 million as compared to the quarterly LAT of RM0.8 million in the preceding year corresponding quarter.
(b)	31 Jul 2025	Announcement on the quarterly financial results of the CEPCO Group for the 9-months FPE 31 May 2025, wherein the CEPCO Group recorded a quarterly PAT of RM3.8 million as compared to a quarterly LAT of RM3.9 million in the preceding year corresponding quarter.
(c)	18 Aug 2025	Announcement on the withdrawal of the suit by Reliance Foundry (M) Sdn Bhd, whereby there was a claim of alleged trespass and/or encroachment by part of CEPCO's factory located in Rawang onto their land. The suit has been withdrawn without liberty to file afresh and with no order as to costs on 12 August 2025.

Annotation	Date	Significant Event
(d)	31 Oct 2025	Announcement on the quarterly financial results of the CEPCO Group for the FYE 31 August 2025, wherein the CEPCO Group recorded a quarterly PAT of RM24.2 million as compared to a quarterly PAT of RM1.0 million in the preceding year corresponding quarter.
(e)	23 Dec 2025	Announcement of Annual Report 2025.
(f)	30 Jan 2026	Announcement on the quarterly financial results of the CEPCO Group for the for the 3-months FPE 30 November 2025, wherein the CEPCO Group recorded quarterly LAT of RM2.9 million compared to quarterly LAT of RM6.0 million in the preceding year corresponding quarter.
(g)	17 Mar 2026	Announcement of the Settlement.
(h)	1 Apr 2026	Announcement of receipt of the Notice
(i)	23 Apr 2026	Announcement on the quarterly financial results of the CEPCO Group for the 6-months FPE 28 February 2026, wherein the CEPCO Group recorded a quarterly PAT of RM2.6 million as compared to a quarterly LAT of RM2.6 million in the preceding year corresponding quarter.

(Source: CEPCO's announcements on Bursa Securities)

Based on CEPCO's announcements to Bursa Securities, we noted that there was no fundamental change to the CEPCO Group's business during the said period under review.

The table below sets out the premium represented by the Offer Price *vis-à-vis* the relevant last traded market price / VWAP of the CEPCO Shares:

	Market Price/VWAP	Premium/(Discount) of the Offer Price over the Market Price/VWAP	
	RM	RM	%
<u>Up to and including the LTD:</u>			
- As at the LTD	1.8700	0.7300	39.0
- 5-day VWAP	1.8478	0.7522	40.7
- 1-month VWAP	1.5706	1.0294	65.5
- 3-month VWAP	1.4229	1.1771	82.7
- 6-month VWAP	1.3417	1.2583	93.8
- 1-year VWAP	1.3249	1.2751	96.2
<u>Up to and including the LPD:</u>			
- As at the LPD	2.5900	0.0100	0.4
- 5-day VWAP	2.6162	(0.0162)	(0.6)

(Source: Bloomberg)

As shown above, the Offer Price of RM2.60 represents a **premium** of between 39.0% to 96.2% over the last traded market price of the CEPCO Shares as at the LTD, as well as the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of the CEPCO Shares up to the LTD.

It should be noted that, subsequent to CEPCO's announcement of its receipt of the Notice, the market prices of the CEPCO Shares have been trading close to the Offer Price up to the LPD. Nevertheless, Holders should note that this may not be an indication of future market price performance of the CEPCO Shares which may be influenced by, amongst others, the performance and prospects of the CEPCO Group, prevailing economic conditions, equity market conditions, market sentiments as well as company-specific factors. There can be no assurance that the market prices of the CEPCO Shares will continue to trade at the current price levels after the Closing Date.

Our comments on the fairness of the Offer

We are of the view that the Offer is **FAIR** as the Offer Price of RM2.60:

- (i) represents a **premium** of RM0.83 or 46.9% to the estimated fair value per CEPCO Share of RM1.77, derived using the RNAV valuation methodology;
- (ii) RM1.43 or 122.2% **higher than** CEPCO's latest announced consolidated NA per Share of RM1.17 as at 28 February 2026 (unaudited); and
- (iii) a **premium** of between 39.0% to 96.2% over the last traded market price of the CEPCO Shares as at the LTD, as well as the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of the CEPCO Shares up to the LTD.

7. REASONABLENESS OF THE OFFER

7.1 Historical Trading Volume of the CEPCO Shares

The historical trading volume of the CEPCO Shares for the past 12 months up to March 2026 (being the last full trading month before the announcement of the receipt of the Notice), is as follows:

Month	(a) Monthly Volume Traded	(b) Monthly Volume Traded over Free Float
		%
<u>2025</u>		
April	15,700	0.04
May	21,200	0.05
June	85,800	0.20
July	78,889	0.19
August	88,165	0.21
September	44,911	0.11
October	185,766	0.45
November	296,232	0.72
December	621,601	1.51
<u>2026</u>		
January	329,335	0.80
February	647,435	1.57
March	(c) 2,231,421	(c) 4.23
Simple average for the past 12 months (excluding outliers)	219,549	0.53

(Sources: Bloomberg)

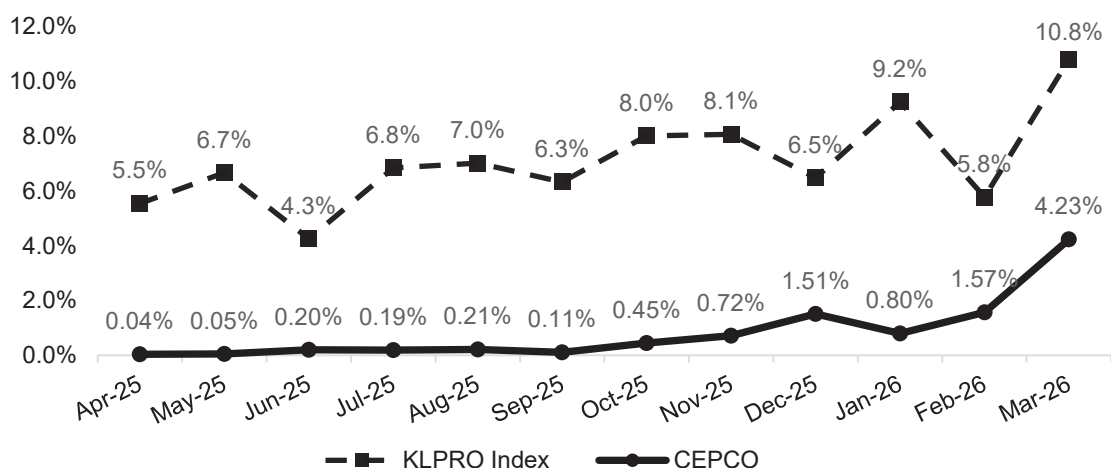
Notes:

- (a) Monthly volume traded excludes CEPCO Shares traded in the open market by CEPCO's Directors, substantial shareholders and persons connected to them.

- (b) Free float excludes CEPCO Shares held by CEPCO's Directors, substantial shareholders and persons connected to them.
- (c) Deemed outlier due to extreme deviation from the mean. For clarity, save for CEPCO's announcement on 17 March 2026 in relation to the Settlement, there were no other material transactional corporate announcements made by CEPCO in March 2026 which may have an impact to the trading liquidity of CEPCO Shares.

Based on the above, we note that the CEPCO Shares were thinly traded at an average monthly volume of 387,205 shares, representing approximately 0.53% of the free float of CEPCO Shares for the past 12 months up to March 2026 (being the last full trading month before the announcement of the receipt of the Notice).

In addition, we have also compared the monthly volume traded over free float of CEPCO against the KLPRO Index for the past 12 months up to March 2026 (being the last full trading month before the announcement of the receipt of the Notice) as set out below:



(Source: Bloomberg)

Based on the above, the CEPCO Shares exhibited low trading liquidity, as it merely recorded a simple average monthly trading volume to free float shares of approximately 0.53% for the past 12 months up to March 2026 (being the last full trading month before LTD), which is also relatively lower than the simple average trading volume to free float shares of the KLPRO Index of approximately 7.10% for the same period.

In view of the low trading liquidity of the CEPCO Shares, the Offer represents an opportunity for Holders, especially those holding significant number of Offer Share, to realise their investment in CEPCO Shares for cash at the Offer Price.

Holder should also note that if the Offeror and its PACs accumulate a higher shareholding level as a result of Valid Acceptances received under the Offer, the liquidity of CEPCO Shares and Holders' ability to dispose of their CEPCO Shares in the open market after the Closing Date may be further constrained. In such circumstances, Holders, especially those holding large blocks of CEPCO Shares, may face trading liquidity constraints or require a longer time to dispose of their CEPCO Shares in an orderly manner in the open market after the Closing Date.

Our analysis above is based on the historical trading volume as well as free float of the CEPCO Shares as at the respective periods and should not be relied upon as an indication of the future trading liquidity of the CEPCO Shares, which may be influenced by, amongst others, the performance and prospects of the CEPCO Group, prevailing economic conditions, economic outlook, stock market conditions, market sentiment and other general macroeconomic conditions as well as company specific factors. Further, there is no assurance that the market price of CEPCO Shares will continue to trade at current price levels after the Closing Date.

Holderes are advised to closely monitor the market prices and trading volume of CEPCO Shares before making a decision on the course of action to be taken in respect of the Offer Shares.

7.2 No Alternative Proposal and Level of Control

(i) No Alternative Proposal

As at the LPD, save for the Offer, the Board confirmed that, as at the LPD, CEPCO has not received any alternative offer for the Offer Shares or any other offer to acquire the CEPCO Group's assets and liabilities. In the absence of an alternative proposal, the Offer presents an opportunity for the Holders to realise their investment in the Offer Shares at the Offer Price in cash.

(ii) Level of control

As the Offeror presently holds a controlling stake of approximately 53.5% in CEPCO, unless the Offeror and the PACs are required to abstain from voting on resolution(s) sought at general meeting(s) of CEPCO and the Offeror is able to exercise significant influence over the outcome of CEPCO's shareholders' resolution(s) as the Offeror is able to:

- (a) approve or oppose any ordinary resolutions (requiring approval from more than 50% of the total votes cast); and
- (b) oppose any special resolutions (requiring approval from at least 75% of the total votes cast).

Our comments on the reasonableness of the Offer

Based on our analysis as set out in **Sections 7.1 and 7.2 above**, we are of the view the Offer is **REASONABLE** as it represents an opportunity for you to realise your investments in CEPCO for cash at the Offer Price, an opportunity which may not otherwise have been available to you due to the low trading liquidity of CEPCO Shares.

8. COMPULSORY ACQUISITION AND RIGHTS OF DISSENTING HOLDERS

Compulsory Acquisition

As set out in **Section 4.2 of the Offer Document**, in the event the Offeror and the PACs receive acceptances from the Holders of not less than nine-tenths (9/10) in the nominal value of the Offer Shares (excluding CEPCO Shares already held by the Offeror and the PACs on the date of the Offer) on or before the Closing Date, **the Offeror does not intend to invoke the provisions of section 222(1) of the CMSA**, to compulsorily acquire any remaining Offer Shares from the Dissenting Holders.

Rights of Dissenting Holders

Section 224(1) of the CMSA stipulates that, where a notice is given under section 222(1) of the CMSA, the court may, on application made by any Dissenting Holder within 1 month from the date on which the notice was given by the Offeror, order that the Offeror shall not be entitled and shall not be bound to acquire the Offer Shares of such Dissenting Holder, or specify terms of acquisition that are different from the terms of the Offer.

Subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror receive acceptances from Holders resulting in the Offeror holding not less than nine-tenths (9/10) in the value of all CEPCO Shares on or before the Closing Date, a Dissenting Holder may exercise his/her/its rights under section 223(1) of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his/her/its Offer 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 Holder.

Section 224(3) of the CMSA stipulates that when a Dissenting Holder exercises his/her/its rights under section 223(1) of the CMSA, the court may, on application made by such Dissenting Holder or by the Offeror, order that the terms on which the Offeror shall acquire such Offer Shares shall be as the court thinks fit.

Section 223(2) of the CMSA requires the Offeror to give the Dissenting Holders a notice in the manner specified by the SC of the rights that are exercisable by the Dissenting Holder under section 223(1) of the CMSA, within 1 month of the time from which the Offeror has acquired not less than nine-tenths (9/10) in the value of all CEPCO Shares. Such notice may specify the period for the exercise of the rights of the Dissenting Holders and in any event, such period shall not be less than 3 months after the Closing Date.

For the purposes of sections 222, 223 and 224 of the CMSA and this section, “share” means a voting share, in a company, or a unit in an entity specified by the SC, and includes convertible securities such as warrants, options and other securities that are issued by the offeree which are capable of being converted into new voting shares of the offeree, as if those securities were shares of a separate class of a company and any reference to a holder of shares, and to shares being allotted, is to be read accordingly, as provided in section 216(6) of the CMSA.

We wish to advise that if you have become entitled to and wish to exercise your rights under section 223 of the CMSA, you should consult your professional adviser(s) immediately.

9. RATIONALE FOR THE OFFER

We take note of the Offeror’s rationale for the Offer as set out in **Section 3 of the Offer Document**.

Our comments

The Offer was initiated by the Offeror as a result of the Acquisition. As set out in the Offer Document, the Acquisition was undertaken by the Offeror with the objective of extending its precast concrete manufacturing businesses by broadening its product portfolio from only superstructures to include substructures in the Peninsular Malaysia to complement the cement and aggregates businesses. This is in line with the Offeror’s strategy to broaden its vertical integration products.

Given that the Offeror has obtained control in CEPCO as a result of the Acquisition, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(1) of the Rules, the Offeror is obliged to extend the Offer to acquire all the remaining CEPCO Shares not already held by the Offeror.

The Offer is thereby undertaken by the Offeror in accordance with the regulatory requirements under subsection 218(2) of the CMSA and subparagraph 4.01(1) of the Rules. Notwithstanding this, the Offer also provides Holders with a pro-rata opportunity to realise their investment in the Offer Shares for cash at the Offer Price, if they wish to do so.

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10. LISTING STATUS

Paragraph 8.02(1) of the Listing Requirements stipulates the Public Spread Requirement, whereby a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders to ensure its continued listing on the Main Market of Bursa Securities. However, non-compliance with the Public Spread Requirement will not automatically result in the delisting of the listed issuer.

A listed issuer which fails to maintain the 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, at its discretion, suspend trading in the securities of the listed issuer pursuant to Paragraph 16.02(1) of the Listing Requirements and/or delist the listed issuer from the Official List.

As set out in **Section 4.1 of the Offer Document, the Offeror intends to maintain the listing status of CEPCO on the Main Market of Bursa Securities**. Accordingly, in the event that CEPCO does not comply with the Public Spread Requirement as a result of the Offer, the Offeror shall work together with CEPCO to explore various options or proposals to rectify the non-compliance with the Public Spread Requirement.

For clarity, any action to address the Public Spread Requirement may require the approvals of Bursa Securities and/or the shareholders of CEPCO. The actual course of action to be taken will depend on, among others, the circumstances as well as the prevailing market conditions at the relevant time.

Pursuant to paragraph 9.19(48) of the Listing Requirements, in the event the Offeror receives Valid Acceptances resulting in the Offeror and its associates holding in aggregate of 90% or more of the Shares, an immediate announcement will be made by CEPCO. Upon such immediate announcement, Bursa Securities shall, in the case where the Offeror intends to maintain the listing status of CEPCO, suspend trading of the Shares upon expiry of 30 Market Days from the date of such immediate announcement. The suspension will only be uplifted upon CEPCO's full compliance with the Public Spread Requirement or as may be determined by Bursa Securities.

Our comments

We note that the Offeror intends to maintain the listing status of CEPCO on the Main Market of Bursa Securities and will continue to operate the CEPCO Group's existing businesses after the close of the Offer. Accordingly, we are of the view that the Offer was not intended to privatise CEPCO. As such, considering that the CEPCO Shares are expected to remain traded on Bursa Securities, Holders who do not accept the Offer will still have the opportunity to continue participating in the trading of CEPCO Shares after the Closing Date.

Nonetheless, Holders are advised to note that in the event that CEPCO does not comply with the Public Spread Requirement as a result of the Offer, the Offeror will work with CEPCO to explore various options or proposals within the timeframe as allowed by Bursa Securities, to enable compliance by CEPCO with the Public Spread Requirement. For clarity, any action to address the Public Spread Requirement may require the approvals of Bursa Securities and/or the shareholders of CEPCO. The actual course of action to be taken will depend on, among others, the circumstances as well as the prevailing market conditions at the relevant time.

In the event CEPCO does not meet the Public Spread Requirement within the stipulated timeframe or any extension of time granted by Bursa Securities, the trading in CEPCO Shares may be suspended. The suspension will only be uplifted upon CEPCO's full compliance with the Public Spread Requirement or as may be determined by Bursa Securities. Holders are advised to closely monitor any press releases and/or announcements made in relation to the Offer, particularly on the level of acceptances and non-compliance with the Public Spread Requirement (if any).

11. FUTURE PLANS FOR THE CEPCO GROUP AND ITS EMPLOYEES

We take note of the Offeror's future plans for the CEPCO Group and its employees as set out in **Section 6 of the Offer Document**.

Our comments

Holders are advised to note that, after the completion of the Offer, the Offeror:

- (i) intends to continue with CEPCO's existing business and does not currently have any plans and/or intention to liquidate any of the companies within the CEPCO Group. Nevertheless, the Offeror may, from time to time, review the structure of the CEPCO Group and consider the liquidation of any dormant or non-operating companies, if deemed appropriate. As at the LPD, no such decision has been made;
- (ii) does not have any plans to introduce any major changes to the existing business of CEPCO, dispose of any major assets or undertake any major redeployment of the fixed assets of the CEPCO Group, except where such change, disposal and/or redeployment is deemed necessary as part of the process to rationalise and restructure the business activities and/or directions of the CEPCO Group or to improve the utilisation of resources; and
- (iii) does not have any plan to dismiss or make redundant any existing employees of the CEPCO Group. Nevertheless, following the closing of the Offer, the Offeror may undertake actions, in accordance with relevant legislation and the terms of employment of the employees concerned, as a result of the rationalisation and/or streamlining of business activities and/or to further improve efficiency of operations of the CEPCO Group.

We further note that, as at the Offer Document LPD, the Offeror have not entered into any negotiation or arrangement or understanding with any third party in relation to any significant change in the businesses and assets of the CEPCO Group or the shareholding structure of CEPCO.

Based on the above, we are of the view that the potential rationalisation or restructuring exercises that the Offeror may plan for the CEPCO Group to implement, the CEPCO Group's business, major assets and employees are not expected to materially change after the Closing Date. Hence, we are of the view that the CEPCO Group's business will continue to operate as a going concern given the Offeror's intention as set out in the Offer Document.

12. FURTHER INFORMATION

Holders are advised to refer to **Part A of this IAC** and the attached appendices as well as other relevant information in the Offer Document for further details in relation to the Offer.

13. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules. Summarised below are the pertinent factors which you should carefully consider prior to making a decision whether to accept or reject the Offer:

- Fairness** : We view the Offer as **FAIR** as the Offer Price represents:
- (i) a **premium** of RM0.83 or 46.9% to the estimated fair value per CEPCO Share of RM1.77, derived using the RNAV valuation methodology;
 - (ii) RM1.43 or 122.2% **higher than** CEPCO's latest announced consolidated NA per Share of RM1.17 as at 28 February 2026 (unaudited); and
 - (iii) a **premium** of between 39.0% to 96.2% over the last traded market price of the CEPCO Shares as at the LTD, as well as the 5-day, 1-month, 3-month, 6-month and 1-year VWAPs of the CEPCO Shares up to the LTD.

- Reasonableness** : We view the Offer as **REASONABLE** for the following reasons:
- (i) The CEPCO Shares were **relatively illiquid**, with a simple average monthly trading volume to free float shares of approximately 0.53% (excluding outliers) as compared to the simple average trading volume to free float shares of the KLPRO Index of approximately 7.10% for the past 12 months up to March 2026 (being the last full trading month before LTD).

Hence, in view of the low trading liquidity of the CEPCO Shares, the Offer represents an opportunity for Holders especially those holding significant number of Offer Share to realise their investment in CEPCO Shares for cash at the Offer Price;
 - (ii) As at the LPD, the Board has not received any alternative proposal for the Offer Shares (including any offer to acquire the assets and liabilities of CEPCO). In the absence of an alternative proposal, the Offer presents an opportunity for the Holders to realise their investment in the Offer Shares at the Offer Price in cash; and
 - (iii) As at the LPD, the Offeror holds a controlling stake of approximately 53.5% in CEPCO. Hence, unless the Offeror and the PACs are required to abstain from voting on resolution(s) sought at general meeting(s) of CEPCO and the Offeror is able to exercise significant influence over the outcome of CEPCO's shareholders' resolution(s) as the Offeror is able to:
 - (a) approve or oppose any ordinary resolutions (requiring approval from more than 50% of the total votes cast); and
 - (b) oppose any special resolutions (requiring approval from at least 75% of the total votes cast).

The Offer was initiated by the Offeror as a consequence of the Acquisition. Based on our analysis in **Sections 6 and 7 of this IAL**, we view the Offer as **FAIR** and **REASONABLE**. Accordingly, we recommend that Holders **ACCEPT** the Offer.

However, the decision to be made would rest on the Holders' individual risk appetite and specific investment requirements. If you so wish and if the trading liquidity permits, you may consider disposing your CEPCO Shares in the open market in the event the market prices of CEPCO Shares are higher than the Offer Price, after taking into consideration the associated transaction costs and assuming that there will not be any revision to the Offer Price.

You are also advised to closely monitor the prevailing market prices and trading volume of the CEPCO Shares, as well as any press releases and/or announcements made in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer Shares.

Our advice as contained in this IAC is addressed to the Holders at large and not to any particular Holder. Accordingly, in providing this advice, we have not taken into consideration any specific investment objectives, financial situation, risk profile and particular needs of any individual Holder or any specific group of Holders. We recommend that any Holder who may require advice in the context of their investment objectives, financial situation, risk profile and particular needs should consult his/her/its respective stockbroker, accountant, banker or other professional adviser immediately.

Yours faithfully
For and on behalf of
MERCURY SECURITIES SDN BHD

CHEW SING GUAN
Managing Director

YIP KAH WENG, CFA
Head/Director, Corporate Finance

INFORMATION ON CEPCO

1. HISTORY AND PRINCIPAL ACTIVITIES

CEPCO was incorporated in Malaysia on 4 August 1982 under the Companies Act 1965 as a private limited company under the name of Speed-Kon Sdn Bhd and is deemed registered under the Companies Act. On 12 January 1983, the Company changed its name to Concrete Engineering Products Sdn Bhd and was converted into a public limited company on 6 May 1991 at which time it assumed its present name. On 14 January 1992, it was listed on the Second Board of Malaysia Securities Exchange Berhad and was transferred to the Main Market of Bursa Securities in 3 August 2009.

As at the LPD, CEPCO is principally involved in manufacturing and distribution of prestressed spun concrete piles and spun poles.

2. SHARE CAPITAL

As at the LPD, the issued share capital of CEPCO is RM75,344,833 comprising 74,624,608 CEPCO Shares.

As at the LPD, there is only 1 class of shares in CEPCO. All CEPCO Shares rank *pari passu* in terms of voting rights and entitlements to any Distributions including capital distributions which may be declared, made or paid to its shareholders.

No Distributions have been declared, made or paid by CEPCO since the FYE 31 August 2025 up to the LPD.

There have been no changes to the issued share capital of CEPCO since the FYE 31 August 2025 up to the LPD.

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

3. SUBSTANTIAL SHAREHOLDERS

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

Substantial shareholders	Direct		Indirect	
	No. of CEPCO Shares	(a)%	No. of CEPCO Shares	(a)%
Progressive Metal Works Sdn Bhd	6,965,000	9.3	-	-
YTL Cement	(b)39,917,579	(b)53.5	-	-
YTL Corp	-	-	(c)39,917,579	(c)53.5
YTL SH	-	-	(d)39,917,579	(d)53.5
YTL SF	-	-	(e)39,917,579	(e)53.5
YTL ST	-	-	(f)39,917,579	(f)53.5
Puan Sri Tan Kai Yong	-	-	(g)39,917,579	(g)53.5

INFORMATION ON CEPCO (cont'd)

Notes:

- (a) Computed based on 74,624,608 issued CEPCO Shares as at the date of the Notice. For the avoidance of doubt, CEPCO does not have any treasury shares as at the date of the Notice.
- (b) Pursuant to the Acquisition, the Offeror's direct shareholding in CEPCO has increased from nil to approximately 53.5%.
- (c) Deemed interests by virtue of interests held through the Offeror pursuant to Section 8 of the Companies Act.
- (d) Deemed interests by virtue of interests held through the Offeror, YTL Corp and YTLPI pursuant to Section 8 of the Companies Act.
- (e) Deemed interests by virtue of interests held through the Offeror, YTL Corp and YTLPI pursuant to Section 8 of the Companies Act arising from its ownership of 100% of YTLSH.
- (f) Deemed interests by virtue of interests held through the Offeror, YTL Corp and YTLPI pursuant to Section 8 of the Companies Act arising from its ownership of 100% of YTLST in its capacity as trustee.
- (g) Deemed interests by virtue of interests held through the Offeror, YTL Corp and YTLPI pursuant to Section 8 of the Companies Act arising from her beneficial interest (held through YTLST in its capacity as trustee) in YTLSTF.

4. DIRECTORS

As at the LPD, the Directors of CEPCO do not hold any CEPCO Shares. The particulars of each Director are as follows:

Name / Designation	Nationality	Correspondence address
Datin Sabrina Ainie <i>(Independent Non-Executive Chairman)</i>	Malaysian	No. 3 Jalan Frekuensi U16/133 Elminia Gardens 40160 Shah Alam Selangor
Dato' Ir Dr Abdul Aziz Bin Arshad <i>(Non-Independent Non-Executive Director)</i>	Malaysian	No. 39 USJ 5/1J 47600 Subang Jaya Selangor
Datuk Seri Tpr. Haji Mahadi Bin C. Ngah <i>(Independent Non-Executive Director)</i>	Malaysian	No.1 Jalan Murraya P12/7 Presint 12 62000 Putrajaya Wilayah Persekutuan Putrajaya
Dato' Azulita Binti Salim <i>(Independent Non-Executive Director)</i>	Malaysian	No. 11, Jalan BM 6/13B Seksyen 6, Bukit Mahkota 43000 Kajang Selangor

INFORMATION ON CEPCO (cont'd)

5. SUBSIDIARIES AND ASSOCIATE COMPANIES

As at the LPD:

- (i) the subsidiaries of CEPCO are set out below:

Name of company	Country of incorporation	Principal activities	Effective equity interest (%)
Concrete Engineering Products Management Sdn Bhd	Malaysia	Dormant	100
Concrete Engineering Products Marketing Sdn Bhd	Malaysia	Dormant	100

- (ii) CEPCO does not have any associate companies.

6. PROFIT AND DIVIDEND RECORD

A summary of the CEPCO Group's results based on the audited consolidated financial statements of CEPCO for the FYEs 31 August 2023 to 2025 and the unaudited consolidated financial results of CEPCO for the 6-month FPE 28 February 2026 are as follows:

	Audited			Unaudited	
	FYE 31 Aug 2023	FYE 31 Aug 2024	FYE 31 Aug 2025	6-month FPE 28 Feb 2025	6-month FPE 28 Feb 2026
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	132,680	103,973	59,425	22,502	23,764
PBT/ (LBT)	1,154	(4,612)	19,667	(8,522)	(217)
PAT/ (LAT)^(a)	1,078	(4,615)	19,482	(8,562)	(236)
Number of shares in issue (000')	74,625	74,625	74,625	74,625	74,625
Earnings/(Loss) per Share (sen) ^(a)	1.4	(6.2)	26.1	(11.5)	(0.3)
Net dividend per share (sen)	-	-	-	-	-

Note:

- (a) All subsidiaries of CEPCO are wholly-owned by CEPCO. Hence, there were no non-controlling interest in the CEPCO Group during the financial years and periods under review.

Material exceptional items

In the FYE 31 August 2025, the CEPCO Group recorded a waiver of debts from trade payables by RM5.6 million. Save for the foregoing, there were no material exceptional items in the audited consolidated financial statements of CEPCO for the past 3 financial years up to the FYE 31 August 2025 and the unaudited financial results of CEPCO for the 6-month FPE 28 February 2026.

Financial commentaries**FYE 31 August 2024 vs FYE 31 August 2023**

The CEPCO Group recorded total revenue of RM104.0 million in the FYE 31 August 2024, a decrease of approximately RM28.7 million or 21.6% as compared to the FYE 31 August 2023. The decrease was mainly due to lower sales arising from, amongst others, reduced customer spending budgets and cancellation of purchase orders following customers' construction projects being placed on-hold. As a result of lower revenue recorded, the Group's GP declined by RM6.1 million in the FYE 31 August 2024 as compared to the preceding financial year.

Overall, the CEPCO Group recorded a LBT of RM4.6 million for the FYE 31 August 2024. The weaker financial performance was primarily due to the decline in GP as mentioned above. No dividend was declared by the Board in respect of the FYE 31 August 2024.

FYE 31 August 2025 vs FYE 31 August 2024

The CEPCO Group recorded total revenue of RM59.4 million in the FYE 31 August 2025, a decrease of approximately RM44.5 million or 42.8% as compared to the FYE 31 August 2024. The decrease was mainly due to lower sales arising from, amongst others, reduced demand from overseas customers and postponement of deliveries by customers. As a result of lower revenue recorded, the Group's GP declined by RM5.5 million in the FYE 31 August 2025 as compared to the preceding financial year.

Notwithstanding the decline in GP, the CEPCO Group recorded a PBT of RM19.7 million in the FYE 31 August 2025. The improved financial performance was mainly due to:

- (i) fair value gains on revaluation of investment properties by RM11.1 million;
- (ii) waiver of debts from trade payables by RM5.6 million; and
- (iii) lower selling and distribution expenses by RM10.5 million (which was primarily attributable to export sales, as the Group adopted Freight on Board terms to mitigate exposure to rising freight and demurrage charges).

No dividend was declared by the Board in respect of the FYE 31 August 2025.

6-month FPE 28 February 2026 vs 6-month FPE 28 February 2025

The CEPCO Group recorded total revenue of RM23.8 million in the 6-month FPE 28 February 2026, an increase of approximately RM1.3 million or 5.6% as compared to the 6-month FPE 28 February 2025. The increase was mainly due to higher sales volumes from local customers. In view of higher revenue recorded, as well as improved cost management efforts, the Group's GP increased by RM5.4 million in the 6-month FPE 28 February 2026, as compared to the corresponding period in the preceding year.

Overall, the CEPCO Group recorded a narrower LBT of RM0.2 million for the 6-month FPE 28 February 2026, as compared to a LBT of RM8.5 million in the 6-month FPE 28 February 2025. The improved financial performance, as compared to the 6-month FPE 28 February 2025, was mainly due to higher GP recorded. No dividend was declared by the Board in respect of the financial period under review.

INFORMATION ON CEPCO (cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of CEPCO based on its audited consolidated financial statements as at 31 August 2024 and 31 August 2025 and the unaudited consolidated financial results as at 28 February 2026 are as follows:

	Audited		Unaudited
	As at 31 August 2024	As at 31 August 2025	As at 28 February 2026
	RM'000	RM'000	RM'000
<u>Non-current assets</u>			
Property, plant and equipment	22,773	19,564	19,241
Right-of-use assets	15,306	10,462	9,497
Investment properties	15,545	35,987	36,534
Other investment	25,559	22,479	21,457
Total non-current assets	79,183	88,492	86,729
<u>Current assets</u>			
Inventories	35,268	24,048	27,060
Trade receivables	7,837	24,214	21,478
Other receivables	2,477	1,462	1,008
Tax recoverable	1,331	1,075	130
Fixed deposit with a licensed bank	200	200	200
Cash and bank balances	397	1,607	1,938
Assets held for sale	-	7,330	330
Total current assets	47,510	59,936	52,144
Total assets	126,693	148,428	138,873
<u>Equity</u>			
Share capital	75,345	75,345	75,345
Retained earnings/ (Accumulated losses)	(16,746)	2,735	2,499
Reserves	739	9,260	9,260
Total equity	59,338	87,340	87,104
<u>Non-current liabilities</u>			
Hire purchase and lease liabilities	632	588	305
Total non-current liabilities	632	588	305

INFORMATION ON CEPCO (cont'd)

	Audited		Unaudited
	As at 31 August 2024	As at 31 August 2025	As at 28 February 2026
	RM'000	RM'000	RM'000
<u>Current liabilities</u>			
Hire purchase and lease liabilities	919	739	739
Loans and borrowings	11,362	5,505	4,155
Trade payables	28,268	14,748	12,529
Contract liabilities	542	454	-
Other payables	25,632	39,054	34,041
Total current liabilities	66,723	60,500	51,464
Total liabilities	67,355	61,088	51,769
Total equity and liabilities	126,693	148,428	138,873

8. MATERIAL CHANGES IN THE FINANCIAL POSITION OF THE CEPCO GROUP

As at the LPD, the Board confirms that, there are no known material changes in the financial position of the CEPCO Group subsequent to the latest audited consolidated financial statements for the FYE 31 August 2025 and the unaudited consolidated financial results for the 6-month FPE 28 February 2026.

9. ACCOUNTING POLICIES

The audited consolidated financial statements of CEPCO for the FYEs 31 August 2023 to 2025 have been prepared in accordance with the MFRS, International Financial Reporting Standards and the Companies Act. There were no audit qualifications in respect of CEPCO's audited financial statements for the respective financial years under review.

There have been no changes in the accounting policies that would result in a material variation to the comparable figures presented in the audited consolidated financial statements of CEPCO for the FYEs 31 August 2023 to 2025 and the unaudited consolidated financial results for the 6-month FPE 28 February 2026.

10. BORROWINGS

As at 28 February 2026, which is not more than 3 months preceding the LPD, the CEPCO Group's unaudited total outstanding borrowings are RM5.2 million (all of which are interest bearing), are as follows:

Breakdown of borrowings	RM'000
<u>Current</u>	
- Secured	4,894
- Unsecured	-
<u>Non-current</u>	
- Secured	305
- Unsecured	-
Total borrowings	5,199

INFORMATION ON CEPCO (cont'd)

11. MATERIAL CONTINGENT LIABILITIES

As at 28 February 2026, being a date not more than 3 months prior to the LPD, the Board confirms that there are no material contingent liabilities incurred or, to its knowledge, expected to be incurred by the CEPCO Group which, upon becoming due or enforceable, may have a material impact on the financial position of the CEPCO Group.

12. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, the CEPCO Group is not engaged in any material litigation, claim and/or arbitration, whether as plaintiff or defendant, which may have a material impact on its financial position. Further, the Board is not aware of any pending or threatened proceedings, or of any fact likely to give rise to such proceedings, which may materially affect the financial position of the CEPCO Group.

- On 8 January 2024, Reliance Foundry (M) Sdn Bhd (“**Plaintiff**”) served a Writ of Summons and Statement of Claim, both dated 29 December 2023, on CEPCO’s solicitors in relation to a civil suit filed in Shah Alam High Court.

The Plaintiff’s claim relates to an alleged trespass and/or encroachment by a portion of CEPCO’s factory located in Rawang onto the Plaintiff’s land. The Plaintiff sought, among others, claims for alleged loss of rental, loss of profits and quit rent in respect of the disputed land.

The suit was subsequently withdrawn without liberty to file afresh and with no order as to costs on 12 August 2025 pursuant to a settlement between the parties.

Under the terms of the settlement agreement, the CEPCO Group is required to complete certain rectification works, including the construction of a boundary wall, within an agreed timeframe. In the event of non-compliance with the agreed terms, the Plaintiff reserves the right to take further legal action against CEPCO.

As at the LPD, the said rectification works are ongoing. The matter is not expected to have any material financial effect on the CEPCO Group for the FYE 31 August 2026.

13. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, there are no material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the CEPCO Group during the past 2 years before the commencement of the Offer Period.

- (i) Tenaga Nasional Berhad (“**TNB**”), CEPCO and Reservoir Link Renewable Sdn Bhd (“**Reservoir Link**”) had entered into an electricity supply contract dated 2 April 2024 for the supply of electricity to CEPCO. Reservoir Link proposes to design, construct, install, own, operate and maintain a solar photovoltaic energy generating system to generate and supply solar photovoltaic energy to CEPCO, and CEPCO has agreed to purchase such energy generated. The parties have accordingly entered into the said agreement to regulate their respective rights and obligations in relation to the net electrical output generated by the solar PV system and supplied to CEPCO; and
- (ii) On 17 March 2026, CEPCO announced that it had on even date, entered into a settlement agreement with Dato’ Muhamad Fasri Samsudin, a creditor of the CEPCO Group, for the Settlement. The Settlement has been completed on 17 March 2026.

INFORMATION ON CEPCO (cont'd)

14. SERVICE AGREEMENTS

As at the LPD, the CEPCO Group does not have any service contracts with any Directors of CEPCO or proposed Directors of CEPCO, which have been entered into or amended within 6 months before the commencement of the Offer Period or which are fixed term contracts with more than 12 months to run, excluding contracts expiring or determinable by the CEPCO Group without payment of compensation within 12 months from the date of this IAC.

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FURTHER INFORMATION

1. CONSENTS

Mercury Securities, CIMB Investment Bank and the Valuer have given and have not subsequently withdrawn their written consents to the inclusion of their names and all references thereto in the form and context in which they appear in this IAC, prior to the despatch of this IAC.

2. DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES**2.1. By CEPCO****(i) Disclosure of interests in the Offeror**

As at the LPD, CEPCO does not have any interest, direct or indirect, in any voting shares and/or convertible securities of the Offeror.

(ii) Dealings in the securities of the Offeror

CEPCO has not dealt, directly or indirectly, in any voting shares and/or convertible securities of the Offeror during the period beginning 6 months prior to the Offer Period and ending on the LPD.

(iii) Dealings in CEPCO Shares

CEPCO has not dealt, directly or indirectly, in any of its own voting shares during the period beginning 6 months prior to the Offer Period and ending on the LPD.

2.2. By the Directors of CEPCO**(i) Disclosure of interests in the Offeror**

As at the LPD, the Directors of CEPCO do not have any interest, direct or indirect, in any voting shares and/or convertible securities of the Offeror.

(ii) Dealings in the securities of the Offeror

The Directors of CEPCO have not dealt, directly or indirectly, in any voting shares and/or convertible securities of the Offerors during the period beginning 6 months prior to the Offer Period and ending on the LPD.

(iii) Disclosure of interests in CEPCO

As at the LPD, the Directors of CEPCO do not have any interest, direct or indirect, in CEPCO Shares.

(iv) Dealings in CEPCO Shares

As at the LPD, the Directors of CEPCO have not dealt, directly or indirectly, in any CEPCO Shares during the period beginning 6 months prior to the Offer Period and ending on the LPD.

FURTHER INFORMATION (cont'd)

2.3. By persons with whom CEPCO or any persons acting in concert with it has any arrangement over the Offer Shares

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

2.4. By persons with whom CEPCO or any persons acting in concert with it has borrowed or lent

As at the LPD, there are no persons with whom CEPCO or any persons acting in concert with it has borrowed or lent any CEPCO Shares.

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

As at the LPD, Mercury Securities and its Discretionary Funds do not have any interest, direct or indirect, in any CEPCO Shares.

(ii) Disclosure of dealings in CEPCO Shares

Mercury Securities and its Discretionary Funds have not dealt, directly or indirectly, in CEPCO Shares during the period beginning 6 months prior to the Offer Period and ending on the LPD.

2.6. Confirmation of compliance with paragraph 19.05 of the Rules**(i) CEPCO**

CEPCO, being the Offeree, confirms that:

- (a) there are no dealings in CEPCO Shares made by CEPCO, Directors of CEPCO and any persons acting in concert with it from the commencement of the Offer Period and up to the LPD, and the disclosure of dealings requirements under paragraph 19.05 of the Rules has been complied with from the commencement of the Offer Period and up to the LPD; and
- (b) CEPCO will ensure that all dealings of CEPCO Shares by CEPCO, directors of CEPCO and persons acting in concert with CEPCO are disclosed in accordance with the requirements under paragraph 19.05 of the Rules up to the Closing Date.

(ii) Mercury Securities

Mercury Securities, being the Independent Adviser to the Offeree in respect of the Offer, confirms that:

- (a) there are no dealings in CEPCO Shares by Mercury Securities from the commencement of the Offer Period and up to the LPD, and the disclosure of dealings requirement under paragraph 19.05 of the Rules has been complied with from the commencement of the Offer Period and up to the LPD; and
- (b) Mercury Securities will ensure that all dealings of CEPCO Shares by Mercury Securities are disclosed in accordance with the requirements under paragraph 19.05 of the Rules up to the Closing Date.

FURTHER INFORMATION (cont'd)

3. PARAGRAPH 18.01 OF THE RULES

As set out in the Offer Document, the Offeror and the PACs:

- (i) do not have any and have not made any arrangements with the Vendors, and have not dealt or entered into arrangements to deal or make purchase or sale of the CEPCO Shares, or entered into arrangements concerning acceptance of the Offer, where such arrangements have favourable conditions which are not to be extended to all Holders of CEPCO Shares, in accordance with paragraph 18.01 of the Rules; and
- (ii) will not deal or enter into any arrangements with the Vendors or any other shareholders of CEPCO to deal or make purchase or sale of the CEPCO Shares, or enter into arrangements concerning acceptance of the Offer, either during the Offer Period or for 6 months after the Closing Date, where such arrangements have favourable conditions which are not to be extended to all the Holders of CEPCO Shares.

4. ARRANGEMENT AFFECTING DIRECTORS

As at the LPD, there is none of the following arrangements affecting the Directors of CEPCO:

- (i) payment or other benefit which will be made or given to any Director of CEPCO as compensation for loss of office or otherwise in connection with the Offer;
- (ii) agreement or arrangement between any Director of CEPCO and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the outcome of the Offer; and
- (iii) material contract entered by the Offeror in which any Director of CEPCO has a material personal interest.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of CEPCO at 26th Floor Menara KH, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan from 9:00 a.m. to 5:00 p.m. on Mondays to Fridays (except public holidays) from the date of this IAC up to and including the Closing Date:

- (i) the Constitution of CEPCO;
- (ii) the Notice;
- (iii) the Offer Document;
- (iv) the letter from the SC dated 30 April 2026 notifying that it has no further comments on this IAC;
- (v) the audited consolidated financial statements of CEPCO for the past 3 financial years up to FYE 31 August 2025 as well as the unaudited quarterly financial result of CEPCO for the latest 6-month FPE 28 February 2026;
- (vi) the Valuation Reports referred to in **Section 6 of Part B of this IAC**;
- (vii) the material contracts as referred to in **Section 13 of Appendix I of this IAC**; and
- (viii) the letters of consent referred to in **Section 1 of Appendix II of this IAC**.