



**AFFIN BANK BERHAD**  
(Registration No. 197501003274 (25046-T))  
(Incorporated in Malaysia)

### **Dividend Reinvestment Plan Statement**

*(Abbreviations and definitions, unless where the context requires otherwise, shall be as set out in Section 2 of the Terms and Conditions (as defined below) governing this Dividend Reinvestment Plan Statement)*

This DRP Statement contains the Terms and Conditions of the DRP of ABB under which the Shareholders on the Books Closure Date may, in relation to any Dividend(s), be given the Reinvestment Option as the Board may, at its absolute discretion, make available.

#### **SUMMARY OF THE MAIN FEATURES OF THE DRP**

The DRP will provide Shareholders with an opportunity to reinvest their Dividends in New Shares in lieu of receiving cash.

In relation to any Dividends declared, the Board may, at its absolute discretion, determine whether to offer the Shareholders a Reinvestment Option to reinvest all or part of such Dividends in New Shares (i.e. the Electable Portion). Shareholders should note that ABB is not obliged to undertake the DRP for every Dividend declared.

**Unless the Board has determined that the DRP will apply to a particular Dividend, all Dividends as may be declared by ABB will be paid wholly in cash to the Shareholders in the usual manner.**

The Board may, in its absolute discretion, declare a Dividend and determine whether to offer the Reinvestment Option to the Shareholders and where the Electable Portion is not reinvested by the Shareholders in whole, any remaining portion of the Dividend will be paid in cash.

In respect of the Electable Portion, each Shareholder has the following options:

- Option 1** to elect to exercise the Reinvestment Option by reinvesting the entire Electable Portion into New Shares at the Issue Price and to receive the Cash Portion, if applicable;
- Option 2** to elect to exercise the Reinvestment Option by reinvesting part of the Electable Portion into New Shares at the Issue Price and to receive in cash the balance of the Electable Portion and Cash Portion, if applicable; or
- Option 3** to elect not to exercise the Reinvestment Option and thereby receive the entire Dividend entitlement in cash.

ABB will issue New Shares to the Shareholders who elect to exercise the Reinvestment Option under the DRP. Approval for the listing of and quotation for the New Shares on the Main Market of Bursa Securities will be sought from Bursa Securities and the announcement of the Price-Fixing Date and Books Closure Date will be made after receipt of the said approval from Bursa Securities and such other relevant approval, if any.

The Issue Price shall be determined after taking into consideration the following:

- (a) 5-Market Days of VWAP of ABB Shares immediately prior to the Price-Fixing Date;
- (b) a Dividend adjustment to the 5-Market Days of VWAP of ABB Shares (“**Ex-Dividend VWAP**”); and
- (c) a discount of not more than 10% after the Ex-Dividend VWAP.

The Price-Fixing Date shall be announced on or before ABB announces its intention to fix the Books Closure Date.

Subsequent to the Books Closure Date, a Notice of Election will be despatched to the Shareholders. Instructions will be provided in the Notice of Election in respect of the action to be undertaken by the Shareholders to exercise the Electable Portion. An electronic notification on the DRP will be sent to individual Shareholder who is also a Registered Shareholder on the same date of despatch of the Notice of Election. Participating Shareholders may elect to exercise their Reinvestment Option manually through submission of the DRF or electronically through their e-DRF. Please refer to **Sections 6.1 and 6.2** of this DRP Statement for instructions as well as the terms and conditions of the manual submission of the DRF and electronic submission of the e-DRF respectively.

**An individual Shareholder who is not a Registered Shareholder and wish to elect to exercise his/her Reinvestment Option electronically may do so by registering with TIIH Online at <https://tiih.online>.**

There are no brokerage fee and other related transaction costs payable by Participating Shareholders on the New Shares allotted (unless otherwise provided by any statute, law or regulation). In the event any individual Participating Shareholders confirm his/her election via TIIH Online, a handling fee of RM5.00 (inclusive of 0% sales and services tax) is chargeable by the Share Registrar. Participating Shareholders are also required to pay stamp duty of RM10.00. The said payments will be made electronically via online payment gateway at TIIH Online.

Shareholders will receive the Electable Portion in cash if they do not expressly elect in writing or electronically via TIIH Online to participate in the DRP according to its Terms and Conditions. As such, Shareholders need not take any action with regard to the Notice of Election or the e-NOE if they wish to receive their Electable Portion wholly in cash.

Notices of allotment will be despatched on the Allotment Date to the Participating Shareholders. The New Shares will not be underwritten and will be credited directly into the respective CDS accounts of the Participating Shareholders.

In accordance with Paragraph 6.09 of the Listing Requirements, the Allotment Date of the New Shares will occur within 8 Market Days from the Expiry Date or such other date as may be prescribed by Bursa Securities, provided always that the completed DRF or e-DRF are received by the Share Registrar no later than the Expiry Date. A DRF to participate in the DRP in any other form will not be accepted by the Bank.

All Shareholders are eligible to participate in the DRP subject to the restrictions described in the following section.

## **HOW TO PARTICIPATE**

Participation in the DRP is optional and not transferable. A Shareholder wishing to reinvest in New Shares in respect of any Electable Portion must complete the DRF and return it to the Share Registrar of ABB or complete the e-DRF in accordance with the instructions as prescribed therein.

A Shareholder receiving more than one Notice of Election (including the DRF) or more than one e-NOE (including the e-DRF) and wishing to reinvest in New Shares in respect of all or part of his/her entitlement to the Electable Portion must complete all the DRFs (contained in the Notices of Election) received by him/her and return the completed DRFs to the Share Registrar of ABB or complete all e-DRFs in accordance with the instructions as prescribed therein. Shareholders should note that they are at liberty to decide which particular Notice of Election or e-NOE they wish to elect for the reinvestment in New Shares. Where any particular Notice of Election or e-NOE is not elected upon or not received by the Share Registrar of ABB by the Expiry Date, the Dividend relating thereto will be received in cash by the Shareholders in the usual manner.

To be effective in respect of any exercise of the Reinvestment Option to which a Notice of Election or e-NOE relates, such duly completed and signed DRF must be received by the Share Registrar of ABB or to complete and submit the e-DRF no later than the Expiry Date stated in the Notice of Election or e-NOE in respect of that particular Reinvestment Option.

All shareholders are eligible to participate in the DRP, provided that:

- (a) such participation will not result in a breach of any restrictions on their holding of ABB Shares which may be imposed by any of their contractual obligations, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities as the case may be (unless the requisite approval under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts); or
- (b) there are no restrictions for such participation as prescribed in the Constitution of ABB.

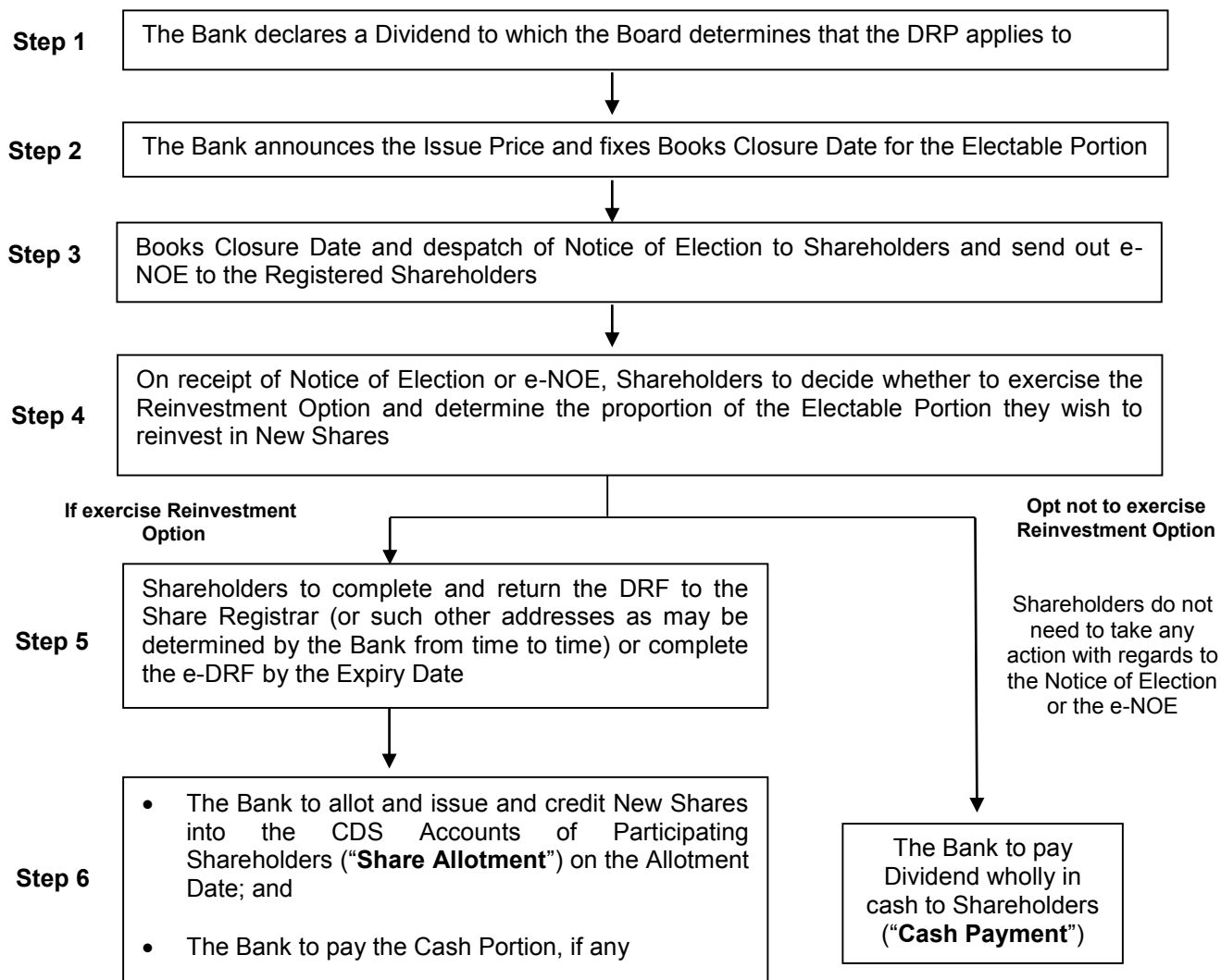
The Notice of Election and e-NOE will not be sent to Foreign Addressed Shareholders to avoid any violation on the part of the Bank of any securities laws applicable outside Malaysia. Please refer to **Section 4** of this DRP Statement for Foreign Address Shareholders.

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Shareholders should note that under the DRP:

- (a) in exercising the Reinvestment Option, they are at their liberty to reinvest the entire or in part the Electable Portion to which a Notice of Election or e-NOE relates, either via the DRF or e-DRF; and
- (b) their right to exercise the Reinvestment Option is non-transferable.

The process flow chart in relation to how the DRP is to be administered is shown below.



Note:

*In respect of Step 6, the Share Allotment and payment of Cash Portion or the Cash Payment (where applicable) will occur on the same day, which will be within 1 month from the Books Closure Date and in any event, within 3 months from the date of the declaration of the Dividend or the date on which the approval is obtained in annual general meeting of ABB, whichever is applicable.*

## **TERMS AND CONDITIONS OF THE DRP**

### **1. ESTABLISHMENT**

The DRP has been established by the Board.

### **2. DEFINITIONS**

In these Terms and Conditions, the following definitions shall apply:

“ABB” or the “Bank”	: AFFIN Bank Berhad
“ABB Share(s)”	: Ordinary share(s) in ABB
“Allotment Date”	: Date of the issuance of New Shares which falls within 8 Market Days from the Expiry Date or such other date as may be prescribed by Bursa Securities
“Board”	: The Board of Directors of the Bank
“Books Closure Date”	: The date and time on which the names of the Shareholders must appear on the Record of Depositors of the Bank for the purpose of determining their entitlement of the Dividend for which the Board may determine that the DRP applies to
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Cash Portion”	: The remaining portion of the Dividend after the deduction of the Electable Portion (where the Electable Portion is not for the entire amount of the Dividend) and any remaining part of the Electable Portion not reinvested which will be paid in cash
“CDS”	: Central Depository System
“Dividend(s)”	: Cash dividend(s) declared by the Bank, either interim, final or special dividend
“Dividend Payment Account”	: The non-interest bearing account opened with ABB to facilitate the payment of Dividend
“DRF”	: A dividend reinvestment form contained in the NOE by which the Shareholders confirm their exercise of the Reinvestment Option
“DRP”	: Dividend reinvestment plan
“Electable Portion”	: The whole or a portion of the Dividend, as the Board may at its absolute discretion determine, to which the Reinvestment Option applies
“e-DRF”	: Electronic dividend reinvestment form issued to the Registered Shareholders via TIIH Online in connection with the DRP applicable to any Dividend and contained in the e-NOE by which the Registered Shareholders confirm their exercise of the Reinvestment Option via TIIH Online

“e-NOE”	: Electronic notice of election issued to the Registered Shareholders via TIIH Online in connection with the DRP applicable to any Dividend which includes the e-DRF
“Expiry Date”	: The last day (which will be a date to be fixed and announced by the Board and shall not be less than 14 days from the date of despatch of the Notice of Election or e-NOE) by which the duly completed DRF or e-DRF must be received by the Share Registrar of ABB
“Foreign Addressed Shareholders”	: Shareholders whose registered address in the Bank’s Record of Depositors is not in Malaysia
“Issue Price”	: The issue price of the New Shares to be issued pursuant to the DRP
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities including all amendments thereto and any Practice Notes issued in relation thereto
“Market Day(s)”	: Any day between Monday and Friday (both inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
“New Shares”	: New ABB Shares to be issued pursuant to the DRP
“Notice of Election”	: A notice of election issued to the Shareholders in connection with the DRP applicable to any Dividend, which includes the DRF
“Participating Shareholder(s)”	: Shareholder(s) who wish to exercise the Reinvestment Option pursuant to the DRP to the extent of their Electable Portion
“Participating Shares”	: Number of ABB Shares held by Participating Shareholders on the Books Closure Date to which each Notice of Election or e-NOE received by him/her relates
“Price-Fixing Date”	: A date to be determined by the Board on which the Issue Price will be determined
“Record of Depositors”	: A record of securities holders established by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991
“Registered Shareholder(s)”	: An individual Shareholder whose names appear on the Record of Depositors of the Bank on the Books Closure Date and who has registered with TIIH Online
“Reinvestment Option”	: The option to reinvest the entire Electable Portion or part thereof in New Shares
“RM”	: Ringgit Malaysia
“Rules”	: Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by Securities Commission Malaysia and any amendments from time to time
“Shareholders”	: The holders of the ABB Shares
“Terms and Conditions”	: Terms and conditions of the DRP of ABB contained in this DRP Statement

- “TIIH Online” : Tricor Investor & Issuing House Services Sdn Bhd’s online system at <https://tiih.online> (only available to individual Shareholders)
- “VWAP” : Volume-weighted average market price

### **3. ELIGIBILITY**

All Shareholders are eligible to participate in the DRP, subject to:

- (a) restriction to Shareholders with registered addresses outside Malaysia as at the relevant Books Closure Date so as to avoid any violation on the part of ABB of the securities laws applicable outside Malaysia; and
- (b) the requirement that such participation by the Shareholders will not result in a breach of any other restriction on such Shareholder’s holding of ABB Shares which may be imposed by statute, law or regulation in force in Malaysia or any other relevant jurisdiction.

There are no restrictions prescribed in the Constitution of ABB for the ABB to implement and for the Shareholders to participate in the DRP.

### **4. SHAREHOLDERS WITH ADDRESSES OUTSIDE MALAYSIA**

To avoid any violation on the part of the Bank of the securities laws applicable outside of Malaysia, the Notice of Election or e-NOE and any other documents relating to the DRP will not be sent to any Foreign Addressed Shareholders. Foreign Addressed Shareholders shall have no claim whatsoever against the Bank as a result of such documents not being sent to them. Foreign Addressed Shareholders who received or come to have in their possession a Notice of Election or e-NOE may not treat it as being applicable to them (except where the Notice of Election is collected from the Share Registrar of ABB as provided below) and are, in any event, advised to inform themselves of, and to observe, any prohibitions and restrictions and to comply with any applicable laws and regulations relating to the DRP as may be applicable.

Foreign Addressed Shareholders who wish to change their address for service of documents to an address in Malaysia should inform their respective stockbrokers to effect the change of address. Such notification should be done prior to the Books Closure Date.

Alternatively, Foreign Addressed Shareholders may arrange with the Share Registrar to collect the Notice of Election and other documents relating to the DRP from the Share Registrar of ABB, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or at such address as may be announced by the Bank from time to time and the Share Registrar of ABB may in such an event be entitled to satisfy itself as to the identity and authority of the person collecting the Notice of Election or alternatively, provide the Share Registrar of ABB with their respective address in Malaysia not later than 3 Market Days before the relevant Books Closure Date in respect of any Dividend to which the Board has determined that the DRP shall apply.

Foreign Addressed Shareholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Foreign Addressed Shareholders in the DRP will be on the basis that they may lawfully so participate without the Bank, its Directors and employees and its advisers and the employees of the advisers being in breach of the laws of any jurisdiction.

## 5. LEVEL OF PARTICIPATION

Participating Shareholders may elect to participate in the DRP to the extent of the Electable Portion as determined by the Board, at its absolute discretion. A Shareholder's right to participation will be based on his/her holding of the Participating Shares.

## 6. MODE OF ELECTION TO PARTICIPATE

### 6.1 Manual submission of the DRF

Subsequent to the Books Closure Date, a Notice of Election will be despatched to the Shareholders. The Notice of Election will contain the instructions with respect to the action that is required to be taken by the Shareholders to exercise the Reinvestment Option and will also state the Expiry Date.

The Bank will, at its discretion, send to each Shareholder one or more Notices of Election in relation to each CDS account held by the Shareholder. To be effective in respect of any exercise of the Reinvestment Option, a duly completed DRF must be received by the Share Registrar of ABB, no later than the Expiry Date. A Shareholder receiving two or more Notices of Election may elect to reinvest in New Shares in respect of his/her entitlement to which one Notice of Election relates and decline to reinvest in New Shares in respect of his/her entitlement to which any other Notice(s) of Election relates. A Shareholder receiving two or more Notices of Election and wishing to reinvest in New Shares in respect of all of his/her entitlement to the Electable Portion arising from all his/her holding of ABB Shares must duly complete all the DRFs received by him/her and return the completed DRFs to the office of the Share Registrar of ABB, no later than the Expiry Date specified in the Notice of Election.

A Notice of Election in respect of any Electable Portion shall not, upon its receipt by the Bank be withdrawn or cancelled.

The Bank has the discretion and right to accept or reject any DRF that is incomplete, contains errors or is otherwise defective. The Bank is under no obligation to correct invalid DRF on behalf of any Shareholder or to provide any reason for rejecting any DRF.

By electing to participate in the DRP, the Participating Shareholder unconditionally:

- (a) warrants to the Bank that it has the legal right and full power and authority to participate in the DRP and that its participation in the DRP will not result in a breach of any law or regulation or contractual obligation by which it is bound;
- (b) acknowledges that the Bank may at any time determine whether the Participating Shareholder's DRF or other form (collectively, "**Form**") is valid, even if the relevant Form is incomplete, contains errors or is otherwise defective;
- (c) acknowledges that the Bank may accept or reject any Form and agrees that the Bank need not provide any reason therefore;
- (d) acknowledges that the Bank has not provided the Participating Shareholder with investment advice or any other advice;
- (e) agrees to these Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the DRP;
- (f) submits to the jurisdiction of the Malaysia Courts, in each case, at all times until termination of the DRP; and



- (g) agrees that notwithstanding any other provisions, Terms and Conditions of the DRP set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the DRP shall apply to any Dividend and before the allotment and issuance of the New Shares in respect of any Electable Portion reinvested, where the Board considers that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the DRP in respect of the Electable Portion and regardless whether the Reinvestment Option is exercised by the Shareholders, the Board may, at their absolute discretion and as they deem fit in the interest of the Bank and without assigning any reason thereof, cancel the application of the DRP. In such event, the Electable Portion shall be paid in cash to the Shareholders in the usual manner.

## **6.2 Electronic submission of the e-DRF**

The Bank will, at its discretion, authorise the Share Registrar to send an electronic notification to the Registered Shareholders. The notification will state the instructions in relation to the action that is required to be taken by the Registered Shareholders to exercise their Reinvestment Option electronically via TIIH Online.

The e-NOE and e-DRF will be available to the Registered Shareholders upon their login to TIIH Online. Registered Shareholders are advised to read the instructions as well as the terms and conditions of the online election via TIIH Online before making an election electronically.

At present, submission of e-DRF is only available to individual Shareholders. Corporation or institutional Shareholders will have to complete the DRF for the exercise of their Reinvestment Option.

Individual Participating Shareholders who wish to opt for online election via TIIH Online shall take note of the following instructions:

- (a) any e-DRF submitted to the Share Registrar after the Expiry Date shall be regarded as null and void and of no legal effect unless the Board, in its absolute discretion, determines otherwise and such Registered Shareholder who is entitled to the Dividend based on his/her entitlement on the Books Closure Date, as the case may be, shall be deemed to have elected to receive the Dividend entitlement in cash. An online election, once received by the Share Registrar from the Participating Shareholder, is irrevocable and shall be binding on him/her;
- (b) the Registered Shareholder will receive one notification to login to TIIH Online in respect of his/her shareholding in one CDS account. Accordingly, for each CDS account, the Registered Shareholder can elect to exercise the Reinvestment Option in whole or part thereof as stipulated in his/her entitlement to the DRP or if the Registered Shareholder does not so elect, he/she will receive the Dividend entitlement wholly in cash;
- (c) multiple submissions of DRF or e-DRF in relation to the same CDS account, or those appearing to be, or suspected of being multiple submissions in relation to the same CDS account, may be rejected at the discretion of the Board, and such Registered Shareholders shall be treated as having elected to receive their Electable Portion entitlement in cash;

- (d) the online election made must be in accordance with the notes and instructions in TIIH Online, this DRP Statement and the e-NOE. Any online election submitted that does not conform to the terms of TIIH Online, this DRP Statement and the e-NOE or which are illegible may not be accepted at the sole discretion of the Bank. The Bank reserves the right at its absolute discretion, to reject any online election which are incomplete, incorrectly completed, and/or illegible, and such Registered Shareholders shall be treated as having elected to receive their Electable Portion in cash;
- (e) the maximum number of New Shares available under the Reinvestment Option set out in the e-DRF have been computed based on the Registered Shareholders' shareholdings as stated in Record of Depositors, his/her Dividend entitlement as at the Books Closure Date and the Issue Price. Participating Shareholders are not allowed to enter a number of New Shares higher than the maximum number of New Shares available under the Reinvestment Option;
- (f) a handling fee of **RM5.00** (inclusive of 0% sales and services tax) is payable should a Participating Shareholder make online election of the Reinvestment Option via TIIH Online. The Participating Shareholders will also need to pay a stamp duty of RM10.00; and
- (g) the New Shares arising from the Reinvestment Option will be issued and credited into the Participating Shareholder's CDS account as stated in the Record of Depositors as at the Books Closure Date.

The online election made via TIIH Online shall be made on and subject to the terms and conditions of the DRP and those appearing herein:

- (a) by electing to submit the e-DRF, the Participating Shareholder, if successful, requests and authorises Bursa Depository to credit the New Shares allotted to the Participating Shareholder into his/her CDS account as stated in the Record of Depositors as at the Books Closure Date;
- (b) this DRP Statement, the DRP and the Terms and Conditions shall be governed by, and construed in accordance with the laws of Malaysia and Participating Shareholders shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the Malaysian Courts in respect of any matters in connection with the DRP;
- (c) Participating Shareholder's confirmation for the number of New Shares elected for under the Reinvestment Option shall signify and be treated as the Participating Shareholders' acceptance of New Shares available for the Reinvestment Option allotted to him/her;
- (d) Participating Shareholder acknowledges that his/her election made via the TIIH Online is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of the Bank, the Share Registrar, authorised financial institution or Bursa Depository and irrevocably agree that if the Bank, Share Registrar or Bursa Depository does not receive the Participating Shareholder's e-DRF or data relating to their elections are wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Bank, the Share Registrar or Bursa Depository by the Expiry Date, the Participating Shareholder shall be deemed not to have made an election and they shall not make any claim whatsoever against the Bank, the Share Registrar, authorised financial institution or Bursa Depository for the New Shares subscribe for or for any compensation, loss or damage relating to the subscription of the DRP;

- (e) all particulars of the Participating Shareholder including his/her nationality and place of residence, in the records of the relevant internet participating financial institution at the time the Participating Shareholder submit his/her e-DRF via TIIH Online shall be true and correct, and the Bank, the Share Registrar, the authorised financial institution and Bursa Depository shall be entitled to rely on the accuracy thereof;
- (f) the Participating Shareholder must inform Bursa Depository promptly of any change in address failing which the notice of allotment will be sent to his/her correspondence address last maintained with Bursa Depository;
- (g) the election will not be successfully completed and cannot be recorded as a completed transaction at the screen of TIIH Online unless the Participating Shareholder completes all the steps required. By doing so, the Participating Shareholder shall be deemed to have confirmed agreement and compliance to all the terms and conditions; and
- (h) by submitting an-e-DRF, the Participating Shareholders agree that:
  - (i) in consideration of the Bank agreeing to allow and accept the Participating Shareholder's e-DRF at his/her respective internet services website, his/her e-DRF submission is irrevocable and cannot be subsequently withdrawn or cancelled;
  - (ii) the Bank, the internet participating financial institution, Bursa Depository, the Share Registrar and other advisers for the DRP shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his/her e-DRF due to a breakdown or failure of transmission or communication facilities or to any cause beyond control of the Bank, the internet participating financial institution, Bursa Depository, the Share Registrar and other advisers for the DRP;
  - (iii) in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or TIIH Online and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Participating Shareholder irrevocably submit to the jurisdiction of the Malaysian Courts;
  - (iv) the Share Registrar, on the authority of the Bank, reserves the right to reject e-DRF which do not conform to these instructions;
  - (v) any submission of the e-DRF that does not comply with the Terms and Condition shall be treated as invalid;
  - (vi) should the Participating Shareholder fail to meet or comply with the Terms and Conditions stipulated herein or fail to provide the information required accurately, the Bank and/or the Share Registrar has the absolute and unfettered right to reject the submitted e-DRF by the Participating Shareholder;
  - (vii) in the event the Bank and/or the Share Registrar rejects the e-DRF or exercises its discretion to accept any electronic election made notwithstanding the non-compliance with any or all of the Terms and Conditions, the Bank and/or the Share Registrar shall be absolved from any or all forms of liabilities, losses, damages, costs and claims that may be incurred or suffered by them as a result thereof;

- (viii) the Bank and/or the Share Registrar reserves the right not to accept or accept any e-DRF, in part or in full without assigning reason;
- (ix) any invalid or rejected e-DRF shall be treated as having elected to receive the Dividend entitlement in cash;
- (x) he/she acknowledges that the Bank has not provided the Participating Shareholder with investment advice or any other advice; and
- (xi) any e-DRF received by the Share Registrar after the Expiry Date shall be regarded as null and void and of no legal effect unless the Board at its sole discretion determines otherwise and such Registered Shareholder who is entitled to the Dividend based on his/her entitlement on the Books Closure Date, as the case may be, shall be deemed to have elected to receive their Dividend entitlement in cash.

Irrespective of whether an election is made by Shareholders to exercise the Reinvestment Option, a tax voucher will be despatched to all Shareholders and for income tax purposes, Shareholders will be regarded as having received a cash distribution equivalent to the amount of the Dividend declared. Hence, the election for the Reinvestment Option does not relieve the Shareholder of any income tax obligation (if applicable) and there is no tax advantage to be gained in exercising the Reinvestment Option or otherwise.

An announcement will also be made on the listing of and quotation for the New Shares to be issued pursuant to the DRP on the Main Market of Bursa Securities.

Shareholders will receive the Electable Portion in cash if they do not expressly elect in writing to exercise the Option to Reinvest by the Expiry Date. As such, Shareholders who wish to receive their Dividends wholly in cash need not take any action with regards to the DRF or e-DRF.

## **7. EXTENT OF APPLICATION OF DRP TO EACH ELECTABLE PORTION**

The Board may, at its absolute discretion, determine in respect of any Dividend, whether the DRP shall apply and if so, whether the Electable Portion is for the entire or a portion of the Dividend. If the Board has, in its absolute discretion, determined that the DRP is not applicable to a particular Dividend, such Dividend shall be paid in cash to the Shareholders in the usual manner.

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## 8. SHARE ENTITLEMENT

By electing to participate in the DRP in respect of any Notice of Election or e-NOE received by him, a Shareholder elects to reinvest the entire Electable Portion or part thereof to which such Notice of Election or e-NOE relates.

In respect of any Electable Portion, the number of New Shares to be allotted and issued to the Participating Shareholder electing to reinvest the entire Electable Portion or part thereof in New Shares in respect of a Notice of Election or e-NOE shall be calculated in accordance with the following formula:

$$N = \frac{S \times D \times W}{V}$$

Where:

N = is the number of New Shares to be allotted and issued as fully paid-up to the Participating Shareholder in respect of such Notice of Election or e-NOE.

S = is the number of Participating Shares held by the Participating Shareholder as at the Books Closure Date in respect of which Notice of Election or e-NOE relates.

D = Amount of Dividend declared for each ABB Share (after deduction of applicable income tax, if any), expressed in RM, for which the Reinvestment Option applies.

W = is the proportion of the Electable Portion chosen by the Participating Shareholder to be reinvested in New Shares in which the Participating Shareholder is entitled to exercise the Reinvestment Option, expressed in percentage.

V = is the Issue Price, which, for the purpose of the DRP, shall be an amount in RM as determined by the Board based on the adjusted VWAP for the 5-Market Days immediately prior to a Price-Fixing Date after applying a discount of not more than 10%. The VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the Issue Price.

Any fractional entitlement of New Shares calculated in accordance to the above formula will be paid to the Participating Shareholders in cash in the usual manner.

### **Examples**

#### **Scenario 1 - Assuming a Participating Shareholder holds 1,000 ABB Shares as at the Books Closure Date and decides to reinvest the entire Electable Portion into New Shares**

Assuming a Participating Shareholder holds 1,000 ABB Shares as at the Books Closure Date and he/she decides to reinvest the entire Electable Portion based on his/her entitlement for the Electable Portion as at the Books Closure Date, the number of New Shares to be allotted to his/her will be calculated as follows:

$$N = \frac{S \times D \times W}{V}$$

$$N = \frac{1,000 \times \text{RM}0.07 \times 100\%}{\text{RM}1.36}$$

$$= 51 \text{ New Shares}$$

The balance of the Electable Portion of RM0.64 will be paid to the Participating Shareholder in cash in the usual manner.

	<b>RM</b>
Electable Portion of RM0.07 per ABB Share held	70.00
Less: Amount payable for reinvestment at RM1.36 per ABB Share (51 x RM1.36)	69.36
<b>Balance of the Electable Portion payable in cash</b>	<b>0.64</b>

**Scenario 2 - Assuming a Participating Shareholder holds 1,000 ABB Shares as at the Books Closure Date and decides to reinvest part of the Electable Portion into New Shares**

Assuming a Participating Shareholder holds 1,000 ABB Shares as at the Books Closure Date and he/she decides to reinvest part of his/her Electable Portion and subscribe for 20 New Shares based on his/her entitlement for the Electable Portion as at the Books Closure Date, his/her balance of the Electable Portion is as follows:

$$\begin{aligned}
 B &= (S \times D) - (A \times V) \\
 B &= (1,000 \times \text{RM}0.07) - (20 \times \text{RM}1.36) \\
 &= \text{RM}70.00 - \text{RM}27.20 \\
 &= \text{RM}42.80
 \end{aligned}$$

Where:

- S = is the number of Participating Shares held by the Participating Shareholder as at the Books Closure Date in respect of which Notice of Election or e-NOE relates.
- D = Amount of Dividend declared for each ABB Share (after deduction of applicable income tax, if any), expressed in RM, for which the Reinvestment Option applies.
- A = is the number of New Shares that the Participating Shareholder elects to subscribe for in respect of the Electable Portion to which such Notice of Election relates.
- V = is the Issue Price, which, for the purpose of the DRP, shall be an amount in RM as determined by the Board based on the adjusted VWAP for the 5-Market Days immediately prior to a Price-Fixing Date after applying a discount of not more than 10%. The VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the Issue Price.

Based on the above calculation, the table below shows the total cash amount payable to the Participating Shareholder based on his/her election:

	<b>RM</b>
Electable Portion of RM0.07 per ABB Share held	70.00
Less: Amount payable for reinvestment at RM1.36 per ABB Share (20 x RM1.36)	27.20
<b>Balance of the Electable Portion payable in cash</b>	<b>42.80</b>

## **9. TERMS OF ALLOTMENT**

Unless the Board otherwise determines, all New Shares allotted under the DRP will be allotted as fully paid-up. All such New Shares shall upon allotment and issuance, rank *pari passu* in all respects with the existing ABB Shares, except that the holders of New Shares shall not be entitled to any Dividends, rights, allotments and/or other distributions which may be declared, made or paid preceding the date of allotment of the New Shares.

As the New Shares to be issued pursuant to the DRP are prescribed securities, the New Shares will be credited directly into the respective CDS accounts of Shareholders. No physical share certificates will be issued.

## **10. ODD LOTS AND FRACTIONAL SHARES**

A Shareholder who exercises the Reinvestment Option may be allotted New Shares in odd lots depending on his/her entitlement of the New Shares. Shareholders who receive odd lots of New Shares and who wish to trade such odd lots on Bursa Securities may do so in the Odd Lot Market, which allows trading of odd lots (with a minimum of 1 ABB Share).

A Shareholder who does not wish to receive New Shares in odd lots may round down the number of New Shares elected such that he/she will receive New Shares in multiples of and not less than a board lot comprising 100 New Shares. Where a Shareholder's entitlement of New Shares is less than 1 board lot, the Shareholder can elect to receive his/her entire Dividend entitlement in cash or New Shares in odd lots.

Under the DRP, Shareholders who elect to exercise the Reinvestment Option shall not be allotted fractional shares. As such, the amount of Dividend relating to such fractional of shares will be paid in cash to the Shareholders in the usual manner.

## **11. NOTIFICATION TO PARTICIPATING SHAREHOLDERS**

After the Books Closure Date, the Bank shall transfer funds amounting to the total payment of Dividend from its account to the Dividend Payment Account held in trust for Shareholders.

After such transfer of funds, the Dividend in the Dividend Payment Account will be paid and dealt with as follows:

- (a) in respect of Shareholders who elect to exercise their Reinvestment Option:
  - (i) their entire Electable Portion or part thereof, which such Shareholders elect to reinvest in New Shares will be paid to, and reinvested in, the Bank for New Shares; and
  - (ii) receive the Cash Portion, if applicable.
- (b) in respect of the Shareholders who do not exercise their Reinvestment Option, their entire Dividend will be received in cash.

Thereafter, on the Allotment Date, New Shares will be allotted and issued and notices of allotment will be despatched to Shareholders who have elected to exercise their Reinvestment Option.

An announcement will also be made on the listing of and quotation for the New Shares to be issued pursuant to the exercise by the Shareholders of the Reinvestment Option on the Main Market of Bursa Securities.

If Shareholders do not expressly elect in writing (i.e. by signing and returning the DRF in accordance with the instructions stated therein) or electronically via TIIH Online to exercise the Reinvestment Option by the Expiry Date, their Dividends will not be reinvested in New Shares and they will receive their Dividends in cash in the usual manner from the Dividend Payment Account. As such, Shareholders who do not wish to reinvest their Dividends in New Shares need not take any action with regards to the Notice of Election or the e-NOE.

## **12. COST TO THE PARTICIPATING SHAREHOLDERS**

The New Shares will be issued free from any brokerage or fees to Participating Shareholders unless otherwise provided by any statute, law or regulation. However, the Participating Shareholders are required to pay RM10.00 for the stamp duty. In addition, a handling fee of RM5.00 (inclusive of 0% sales and services tax) is payable to the Share Registrar for each e-DRF submitted via TIIH Online.

## **13. CANCELLATION OF APPLICATION OF THE DRP**

Notwithstanding any other provisions, Terms and Conditions of the DRP set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the DRP shall apply to any Dividend and before the allotment and issuance of New Shares in respect of the Electable Portion reinvested, the Board shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the DRP in respect of the Electable Portion, the Board may, at its absolute discretion and as it deems fit and in the interest of the Bank and without assigning any reason thereof, cancel the application of the DRP to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, the Electable Portion shall be received in cash by Shareholders in the usual manner.

## **14. MODIFICATION, SUSPENSION AND TERMINATION OF THE DRP**

Subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be, the DRP (including the Terms and Conditions) may be modified, suspended (in whole or in part) or terminated at any time by the Board as it deems fit or expedient by giving notice to Shareholders in such manner as it deems fit notwithstanding any other provisions, Terms and Conditions of the DRP set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made.

**In the case of a suspension, the DRP will be suspended in whole or in part, as the case may be, until such time as the Board resolve to recommence or terminate the DRP. If the DRP is recommenced, Participating Shareholders' Notice of Election or e-NOE confirming their participation under the previously suspended DRP will be valid and have full force and effect in accordance with these Terms and Conditions and any directions, terms and conditions to Shareholders for such commencement of the DRP which may be notified to all Shareholders.**



## 15. GENERAL ADMINISTRATION OF THE DRP

The Board may implement the DRP in the manner it deems fit. The Board has the power to:

- (a) determine procedures, rules and regulations for administration of the DRP consistent with these Terms and Conditions, as may be amended or modified from time to time;
- (b) settle in such manner as they think fit, any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the DRP) which may arise in connection with the DRP, whether generally or in relation to any Participating Shareholder or any ABB Share and the determination of the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates;
- (c) delegate to any one or more persons, for such period and on such conditions as the Board may determine, the exercise of any of its powers or discretion under or in respect of the DRP and references to a decision, opinion or determination of the Board include a reference to the decision, opinion or determination of the person or persons to whom the Board has delegated its authority for the purposes of administering the DRP; and
- (d) waive strict compliance by the Bank or any Shareholders with any of these Terms and Conditions.

## 16. IMPLICATION OF THE RULES AND OTHER SHAREHOLDING LIMITS

### (a) The Rules

Under Paragraph 4.01 of the Rules and Section 217 of the Capital Markets and Services Act, 2007, a Shareholder will, subject to any exemptions from the Securities Commission Malaysia be under an obligation to extend a take-over offer for the remaining shares in ABB not already owned by him and persons acting in concert with him, if by participating in the DRP:

- (i) he, together with persons acting in concert with him (collectively, the “**Affected Party**”) acquire or hold or are entitled to exercise or control the exercise of 33% or more of the voting shares or voting rights of ABB; or
- (ii) where the Affected Party holds more than 33% but not more than 50% of the voting shares or voting rights of ABB and the Affected Party acquires more than 2% of the voting shares or voting rights of ABB in any period of 6 months.

If any of the circumstances above apply, the Affected Party may make an application to the Securities Commission Malaysia for a waiver from the obligation to undertake a mandatory offer pursuant to the Rule prior to them exercising the Reinvestment Option.

**The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Rules or other relevant legislation or regulations. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Rules as a result of any subscription of ABB Shares through their participation in the DRP are advised to consult their professional advisers at the earliest opportunity.**

**(b) Other shareholding limits**

ABB is a financial service company with activities in commercial banking and hire purchase as well as the holding company of other financial services companies which are involved in *inter-alia*, investment banking, Islamic banking, money broking and insurance. ABB and its subsidiaries which are regulated entities with shareholding limitations prescribed by the Financial Services Act 2013 (“**FSA 2013**”), the Islamic Financial Services Act 2013 (“**IFSA 2013**”). In the event any of the shareholding limits as prescribed by FSA 2013 and IFSA 2013 are expected to be breached with respect to any Shareholder (whether alone or together with any party acting in concert or associate) as a result of the exercise of the Reinvestment Option, the relevant Shareholders shall be required to make the necessary application to BNM prior to them electing to participate and reinvest the entire Electable Portion or part thereof.

Shareholders are also reminded to ensure that their participation will not result in the breach of any restrictions on their respective holding of ABB Shares which may be imposed by any contractual obligation of Shareholders, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities, as the case may be (unless the requisite approvals under the relevant law, statute or regulation or from the relevant authorities are first obtained), or as prescribed in ABB’s Constitution.

Additionally, ABB is required to comply with the public shareholding spread requirement prescribed by the Listing Requirements or any other public shareholding requirement as imposed by Bursa Securities at any time.

In view of the shareholding limits and public shareholding spread requirement referred to above, notwithstanding the proportion of Electable Portion which may be determined to be reinvested, the Board shall be entitled but not obligated to reduce or limit the number of New Shares to be allotted and issued to any Shareholder should the Board be aware or be informed of any expected breach of such shareholding limits and/or the public shareholding spread requirement as a result of the exercise of the Reinvestment Option by such Shareholder.

**17. GOVERNING LAW**

The DRP Statement and the Terms and Conditions thereof shall be governed by and construed in accordance with the laws of Malaysia.

**18. NOTICES AND STATEMENTS**

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by the Bank to a Participating Shareholder shall be given in accordance with provisions of the Bank’s Constitution.

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## 19. DISCLAIMER

Notwithstanding any other provisions, the Directors and the Bank including any of its subsidiaries, related and associated companies and its respective directors, officers, employees, agents, affiliates and representatives, shall not, under any circumstance, be held liable for any damage, cost, loss and expense whatsoever and howsoever arising or incurred or suffered by any person including any Shareholder arising out of or in connection with the DRP including:

- (a) any obligation of any Shareholder to undertake a mandatory offer as a result of the DRP;
- (b) a breach of any restrictions on any Shareholder's shareholding of ABB Shares which may be imposed by the Shareholders' contractual obligations, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities; and
- (c) any losses suffered by any Shareholder due to changes in share prices of ABB Shares or the quantum of future Dividend after the implementation of the DRP.