AFFIN BANK BERHAD ("ABB" OR THE "BANK")

PROPOSED ACQUISITION BY ABB OF THE ENTIRE EQUITY INTEREST IN PHEIM ASSET MANAGEMENT SDN BHD ("PHEIM AM") FOR A TOTAL CASH CONSIDERATION OF RM50.0 MILLION ("PROPOSED ACQUISITION")

1. INTRODUCTION

On behalf of the Board of Directors of ABB ("**Board**"), Affin Hwang Investment Bank Berhad ("**Affin Hwang IB**") wishes to announce that ABB had on 20 November 2025 entered into a conditional share purchase agreement ("**SPA**") with the Selling Shareholders (as defined in Section 2.3 below) for the proposed acquisition of 5,000,000 ordinary shares in Pheim AM ("**Pheim AM Shares**"), representing the entire equity interest in Pheim AM, for a total purchase consideration of RM50.0 million to be satisfied entirely in cash.

Further details of the Proposed Acquisition are set out in the ensuing sections of this announcement.

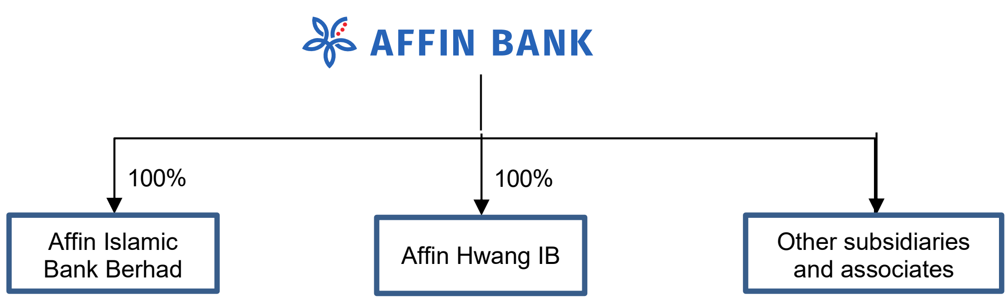
2. DETAILS OF THE PROPOSED ACQUISITON

2.1 Background information on the Proposed Acquisition

The Proposed Acquisition entails the proposed acquisition by ABB of 5,000,000 Pheim AM Shares, representing the entire equity interest in Pheim AM, from the Selling Shareholders for a total purchase consideration of RM50.0 million, subject to the terms and conditions of the SPA, to be satisfied entirely in cash.

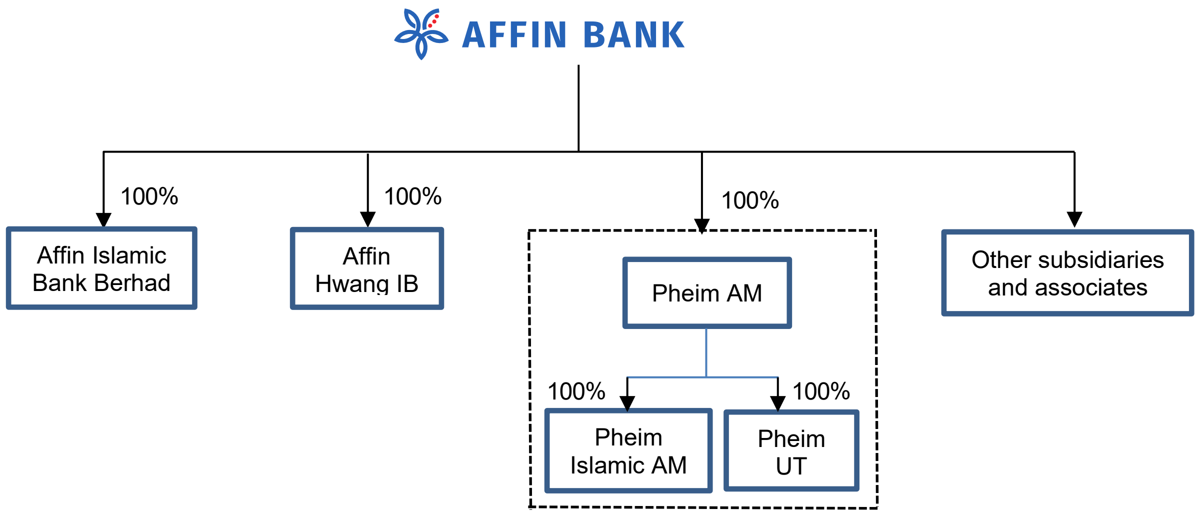
Upon completion of the Proposed Acquisition, Pheim AM will become a wholly-owned subsidiary of ABB and the financial results of Pheim AM and its subsidiaries namely Pheim Islamic Asset Management Sdn. Bhd. ("**Pheim Islamic AM**") and Pheim Unit Trusts Berhad ("**Pheim UT**") ("**Pheim AM Group**") will be consolidated into the financial statements of ABB. The corporate structure before and after the Proposed Acquisition are as follows:

(i) Before the Proposed Acquisition



[The rest of this page is intentionally left blank]

(ii) **After the Proposed Acquisition**



2.2 Salient terms of the SPA

ABB has agreed to acquire and all the shareholders of Pheim AM has agreed to sell 100% of Pheim AM Shares free from all encumbrances and together with all rights, benefits and other entitlements attaching to the Pheim AM Shares.

The completion of the Proposed Acquisition is subject to the fulfilment of, amongst others:

(i) the prior approval of Bank Negara Malaysia ("**BNM**") to be obtained by ABB pursuant to Section 85 of the Financial Services Act 2013 and Paragraph 8.1 of the Policy Document on Equity Investments issued by BNM; and

(ii) each of Pheim AM, Pheim Islamic AM and Pheim UT obtaining the approval of the Securities Commission Malaysia ("**SC**") for a change in their respective direct or indirect shareholding resulting in a change of its controller or ultimate controller,

within 6 months from the date of the SPA. The SPA also contains either representations and warranties, undertakings and indemnities that are applicable for transactions of this nature.

2.3 Information of Selling Shareholders

The Selling Shareholders and their respective shareholdings in Pheim AM are as follows:

Name	**Nationality / Place of Incorporation**	**No. of Pheim AM Shares**	**%**
Dr. Tan Chong Koay	Malaysian	2,250,000	45.0
Lyndisfarne Holdings Limited	Isle of Man	750,000	15.0
Azmi Malek Merican	Malaysian	750,000	15.0
Multi-Purpose Capital Holdings Sdn. Bhd.	Malaysia	1,000,000	20.0
Aizawa Securities Group Co. Ltd.	Japan	250,000	5.0
Total		**5,000,000**	**100.0**

2.4 Background information of Pheim AM

Pheim AM was incorporated in Malaysia on 12 July 1993 under the Companies Act 1965 and is deemed incorporated under the Companies Act 2016 as a private limited company under the name Pheim Sdn Bhd. On 7 December 1993, Pheim AM assumed its current name.

It commenced its operations on 4 January 1994 and is principally involved in asset management while its subsidiaries are principally involved in Islamic asset manager and management of unit trust funds and sale of trust units. As at 30 June 2025, the assets under management and administration by Pheim AM Group is approximately RM875.74 million.

For the financial year ended 31 December 2024 ("**FYE 2024**"), Pheim Group recorded an audited consolidated profit after taxation of RM1.58 million, net assets of RM25.61 million and fixed deposits, cash and bank balances of RM21.60 million.

As at 7 October 2025, being the latest practicable date prior to this announcement, the Directors of Pheim AM are as follows:

Name	Designation	Nationality
Dr. Tan Chong Koay	Non-Independent Director / Group Executive Chairman	Malaysian
Ahmad Subri Abdullah	Non-Independent Director	Malaysian
Hoi Weng Kong	Independent Director	Malaysian
Rosenah binti Faqir Muhammad	Independent Director	Malaysian

3. RATIONALE OF THE PROPOSED ACQUISITION

The Proposed Acquisition is expected to bring significant benefits to ABB, its subsidiaries and joint-controlled entities ("**ABB Group**" or the "**Group**") as follows:

(i) Enable innovative product development

The Proposed Acquisition will give the opportunity for the Group to develop new funds with fresh and innovative investment themes to cater to diverse investment needs of the Group's clients and complements the Group's wealth solutions. This includes product offerings through collaboration with leading foreign fund managers to deliver high-quality investment options that meet the diverse client's needs.

(ii) Enhancing competitive positioning by providing a more complete suite of financial products and services

(a) ability to offer a broader range of financial products and services to clients, including mutual funds, portfolio management, and investment advisory services for corporate and retail clients leveraging on ABB's vast network; and

(b) can develop and distribute own funds via the Group's distribution channel and business partners.

(iii) Alignment with long-term strategy

The Proposed Acquisition supports the Group's vision to become a universal bank with expansion into asset management business and improving the Group's value to clients, as guided by the three pillars of ABB's AX28 plan: "Unrivalled Customer Service, Digital Leadership and Responsible Banking with Impact".

(iv) Diversifying income sources

The Proposed Acquisition aims to diversify income through asset management's stable revenue streams and advisory services as follows:

(a) enable the Group to act as Unit Trust Management Company for other financial institutions to distribute asset management products. This will enable the Group to earn recurring fees based on asset under management from unit trust funds distributed by partner institutions as well as enhancing brand visibility and market penetration through third-party channels; and

(b) the management fee and investment returns from the asset management business will provide a steady income to the Group and will contribute towards the Group's aspiration of increasing its non-interest income ratio.

4. EFFECTS OF THE PROPOSED ACQUISITION

4.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital and substantial shareholders' shareholdings of ABB as the Proposed Acquisition does not involve any issuance of new ordinary shares in ABB.

4.2 Net assets ("NA"), NA per share and gearing

Based on the audited consolidated statement of financial position of ABB as at 31 December 2024, the Proposed Acquisition will not have any pro forma effects to the NA, NA per ABB share and gearing of ABB Group.

4.3 Earnings and earnings per share ("EPS")

Based on the audited income statement of ABB Group for the FYE 2024, the Proposed Acquisition is not expected to have any material pro forma effect on the earnings and EPS of the ABB Group. Notwithstanding this, the Proposed Acquisition is expected to contribute positively to the future earnings and EPS of the ABB Group.

5. APPROVAL REQUIRED

The Proposed Acquisition is subject to the following approvals being obtained:

(i) the SC, pursuant to paragraphs 4.02(8), 4.02(9), 6.09(3), 6.09(5), and 7.02(5) of the Licensing Handbook issued by the SC;

(ii) BNM, pursuant to Section 85 of the Financial Services Act 2013 and Paragraphs 5.2 and 8.1 of the Policy Document on Equity Investments issued by BNM; and

(iii) any other third party consent(s), if required.

The Proposed Acquisition is not conditional upon any other corporate exercise undertaken or proposed to be undertaken by ABB.

6. HIGHEST PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad is approximately 0.43%, based on ABB's latest audited consolidated financial statements for the FYE 2024.

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, and/or chief executive officer of ABB and/or any persons connected to them have any interest, direct and/or indirect, in the Proposed Acquisition.

Nevertheless, the following Directors of ABB have declared the following:

(i) Encik Mohammad Ashraf bin Md Radzi, the Non-Independent Non-Executive Director of ABB is also the Chief Executive of Lembaga Tabung Angkatan Tentera ("**LTAT**"). LTAT holds equity interest in another asset management company similar to the industry in which Pheim AM operates ("**En. Mohammad Ashraf**"); and

(ii) Mr. Ignatius Chan Tze Ching, the Non-Independent Non-Executive Director of ABB, holds equity interest in another asset management company similar to the industry in which Pheim AM operates ("**Mr. Ignatius Chan**").

En. Mohammad Ashraf and Mr. Ignatius Chan and/or the persons connected with them have no direct and indirect equity interest, directorships or any business arrangement in and with Pheim AM Group or any of the Selling Shareholders.

Notwithstanding En. Mohammad Ashraf and Mr. Ignatius Chan and/or the persons connected with them have no conflict of interests in the Proposed Acquisition, for best practice of corporate governance, they have voluntarily abstained and/or will continue to abstain from deliberating and voting at the Board meetings of ABB in relation to the Proposed Acquisition and they have undertaken to ensure that persons connected with them (if any) will also abstain in any Board meetings of ABB in relation to the Proposed Acquisition.

8. DIRECTOR'S STATEMENT

The Board (save for En. Mohammad Ashraf and Mr. Ignatius Chan), having considered all aspects of the Proposed Acquisition, including the purchase consideration, the rationale and effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of ABB Group and is not detrimental to the interests of the shareholders of ABB.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Acquisition is expected to be completed by the 1st quarter of 2026.

10. ADVISERS

Affin Hwang IB has been appointed as the Principal Adviser to the Company for the Proposed Acquisition.

This announcement is dated 20 November 2025