

## AFFIN BANK BERHAD (“ABB” OR THE “BANK”)

### PROPOSED DIVESTMENT OF 7,000,000 ORDINARY SHARES IN AFFIN HWANG ASSET MANAGEMENT BERHAD (“AHAM”), REPRESENTING 63% OF THE EQUITY INTEREST IN AHAM, BY AFFIN HWANG INVESTMENT BANK BERHAD (“AFFIN HWANG IB”), A WHOLLY-OWNED SUBSIDIARY OF ABB (“PROPOSED DIVESTMENT”)

#### 1. INTRODUCTION

On behalf of the Board of Directors of ABB (“**Board**”), Affin Hwang IB wishes to announce that we, selected key senior management of AHAM (“**AHAM KSM**”) and Starlight Asset Sdn Bhd, an investment holding company incorporated by funds managed by CVC Capital Partners (“**Starlight Asset**” or “**Purchaser**”), had on 28 January 2022 entered into a conditional share sale and purchase agreement (“**SPA**”) for the proposed divestment of 7,594,338 ordinary shares in AHAM (“**AHAM Shares**”) (“**Sale Shares**”), representing approximately 68.35% of the equity interest in AHAM, for a provisional cash consideration of RM1,537.9 million, subject to price adjustments as well as the terms and conditions as set out in the SPA. Affin Hwang IB and AHAM KSM are collectively referred to as the “**Vendors**”.

The Sale Shares to be divested by each party under the SPA are as follows:

Table 1

Vendor	Sale Shares		Provisional cash consideration RM'million
	No. of shares	(1) %	
Affin Hwang IB	7,000,000	63.00	1,417.5
AHAM KSM (2)	594,338	5.35	120.4
<b>Total</b>	<b>7,594,338</b>	<b>68.35</b>	<b>1,537.9</b>

**Notes:**

(1) Based on the total of 11,111,000 ordinary shares in AHAM in issue as at 31 December 2021, being the latest practicable date prior to this Announcement (“**LPD**”).

(2) Comprising selected AHAM KSM who exercised their AHAM stock options into AHAM Shares pursuant to AHAM’s stock option plan (“**SOP 2014**”). Following the acquisition of AHAM in 2014, ABB had announced on 30 June 2016 that AHAM had developed the SOP 2014 to retain AHAM KSM and improve the growth and profitability of AHAM with the view of AHAM undertaking an initial public offering (“**IPO**”) on Bursa Securities in the event the pre-determined financial targets are achieved. All the options granted to AHAM KSM have been exercised into Management Shares on 8 March 2019. The said AHAM Shares are hereinafter referred to as the “**Management Shares**”.

Further details on the Proposed Divestment are set out in the ensuing sections of this Announcement.

The salient terms of the SPA are set out in **Appendix I** of this Announcement.

#### 2. DETAILS OF THE PROPOSED DIVESTMENT

##### 2.1 Background information

The Proposed Divestment entails Affin Hwang IB divesting its entire 63% equity interest held in AHAM, representing 7,000,000 ordinary shares in AHAM (“**Affin Hwang IB Sale Shares**”), for a provisional cash consideration of RM1,417.5 million (“**Affin Hwang IB Provisional Consideration**”), subject to the post-closing adjustments as well as the terms and conditions as set out in the SPA.

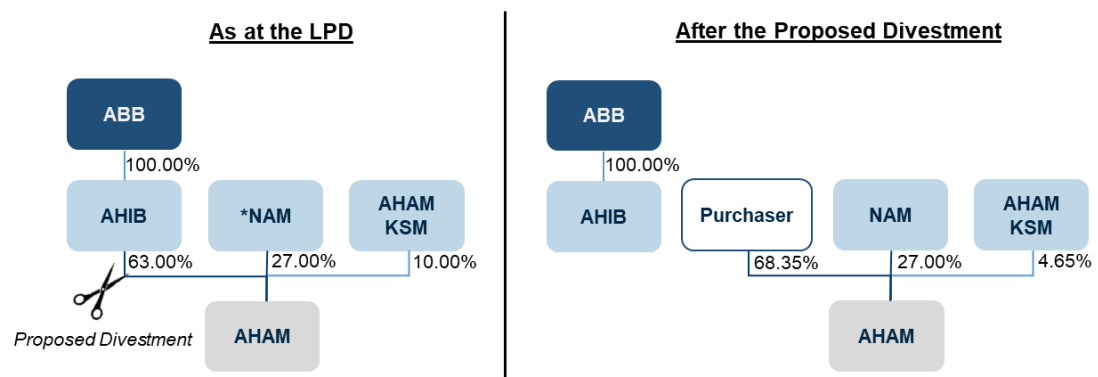
The Affin Hwang IB Provisional Consideration is based on the Purchaser's offer for 100% equity interest in AHAM at an equity value of RM2,250 million ("**Ascribed Value**"), which includes an agreed pre-closing dividend of at least RM100 million to be declared by AHAM to its shareholders prior to the completion of the Proposed Divestment ("**Agreed Pre-Closing Dividend**"). Hence, the Affin Hwang IB Provisional Consideration is the Ascribed Value attributable to Affin Hwang IB Sale Shares, i.e. 63% of the Ascribed Value.

Subject to the post-closing adjustments, the Final Purchase Price\* may differ from the Provisional Purchase Price\* in the event that there is a change in the shareholders' equity of AHAM and its subsidiaries ("**AHAM Group**") between 31 December 2021 and the closing date of the SPA.

**Note:**

\* As defined in **Appendix I** of this Announcement.

For illustrative purposes, the corporate structure of AHAM before and after the completion of the Proposed Divestment are as follows:



\* Nikko Asset Management International Limited ("**NAM**")

Upon completion of the Proposed Divestment, AHAM will cease to be a subsidiary of Affin Hwang IB and the financial results of AHAM Group will be deconsolidated from ABB and its subsidiaries' ("**ABB Group**") consolidated financial statements.

**2.2 Information on AHAM**

AHAM is a fund management company licensed under the Capital Markets and Services Act, 2007 ("**CMSA**"). The principal activities of AHAM Group are the establishment, management and distribution of unit trust funds, exchange traded fund and private retirement schemes, provision of fund management services to private clients, managing corporate private equity investment, as well as providing training and coaching services to AHAM's tied sales consultants.

Further details on AHAM are set out in **Appendix II** of this Announcement.

## 2.3 Date and original cost of investment in AHAM

As at the LPD, the date and original cost of investment in AHAM are as follows:

Table 2

Original date of investment	AHAM Shares acquired	Cost RM'000
7 April 2014	<sup>(1)</sup> 5,300,000	219,490
7 April 2014	<sup>(2)</sup> 1,700,000	62,640
<b>Total</b>	<b>7,000,000</b>	<b>282,130</b>

**Notes:**

- (1) Acquired from Hwang-DBS (Malaysia) Berhad, as announced by ABB on 22 January 2014.
- (2) Acquired from Y.A.M Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tunku Ja'afar, as announced by ABB on 22 January 2014.

## 2.4 Information on the Purchaser

Starlight Asset was incorporated in Malaysia under the Companies Act, 2016 (“**Act**”) as a private limited company on 17 January 2022 under the name of Starlight Asset Sdn Bhd. Starlight Asset is an investment holding company incorporated for the sole purpose of acquiring and holding shares in AHAM pursuant to the Proposed Divestment. Starlight Asset is a wholly-owned indirect subsidiary of funds managed by CVC Capital Partners (“**CVC**”).

CVC is a leading private equity and investment advisory firm with a network of 24 offices throughout Europe, Asia and the United States, with approximately US\$125 billion of assets under management. Since its founding in 1981, CVC has secured commitments in excess of US\$165 billion from some of the world's leading institutional investors across its private equity and credit strategies. Funds managed or advised by CVC are invested in over 100 companies worldwide, which have combined annual sales in excess of US\$100 billion and employ more than 450,000 people. For more information on CVC, please visit [www.cvc.com](http://www.cvc.com).

As at the date of this Announcement:

- (i) the issued share capital of Starlight Asset is RM1.00 comprising 1 ordinary share; and
- (ii) the shareholders of Starlight Asset are as follows:

Table 3

	Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Starlight Universe Limited	Hong Kong	<sup>(1)</sup> 1	100.0	-	-
Starlight TopCo Limited <sup>(2)</sup>	Hong Kong	-	-	1	<sup>(3)</sup> 100.0

**Notes:**

- (1) Beneficial ownership.
- (2) Wholly-owned indirect subsidiary of funds managed by CVC.
- (3) Deemed interested by virtue of its shareholdings in Starlight Universe Limited pursuant to Section 8 of the Act.

- (iii) the directors of Starlight Asset are Lim Chiaw Beng Alvin and Sri Sargunaraj A/L Ideraju. None of the directors hold a direct or indirect interest in the shares of Starlight Asset pursuant to Section 8 of the Act.

## **2.5 Liabilities remaining with ABB Group**

Save for the liabilities as stated in the SPA which may arise in the event there is a breach or non-fulfilment of the Vendors' warranties and indemnities, there are no liabilities, including contingent liabilities, in relation to the Proposed Divestment that shall remain with ABB Group upon completion of the Proposed Divestment.

## **2.6 Provision of guarantee to the Purchaser**

No guarantees shall be given by the Vendors to the Purchaser or AHAM upon completion of the Proposed Divestment.

## **2.7 Cash Company or Practice Note 17 ("PN17") Company**

The Proposed Divestment will not result in ABB becoming a Cash Company or a PN17 company as defined in the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). ABB's principal business is the provision of banking, Islamic banking and related financial services.

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### 3. BASIS AND JUSTIFICATION FOR THE AFFIN HWANG IB PROVISIONAL CONSIDERATION

The Affin Hwang IB Provisional Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration, amongst others, the following:

- (i) audited profit after tax (“**PAT**”) of AHAM Group of RM114.3 million for the financial year ended (“**FYE**”) 31 December 2020;
- (ii) ABB Group’s cost of investment in AHAM of RM282.1 million based on ABB Group’s financial statements for the FYE 31 December 2020; and
- (iii) audited net assets attributable to owners of AHAM Group as at 31 December 2020 of RM191.6 million.

In justifying the Affin Hwang IB Provisional Consideration, the Board has taken into consideration, amongst others, the following:

- (a) rationale of the Proposed Divestment as set out in **Section 4** of this Announcement; and
- (b) valuation multiples implied by the Ascribed Value as compared to those derived from precedent transactions involving the acquisition or divestment of asset management companies by banking / financial services globally (“**Precedent Transactions**”)<sup>1</sup>. The Precedent Transactions were selected based on the principal activities of the target companies, which are broadly similar to the principal activities of AHAM but may not be directly comparable to AHAM in terms of, amongst others, the composition of business activities, scale of operations, type of financial products offered, client and asset base, geography, track record, financial performance, risk profile and future prospects. The details of the Precedent Transactions are as follows:

Table 4

Date announced	Acquirer(s)	Target	Vendor(s)	Equity interest acquired	Consideration	Implied equity value	Price-to-earnings ratio (“P/E”)	Price-to-AUM ratio (“P/AUM”)
				%	RM’million	RM’million	times	%
<b>Local transactions</b>								
23.03.2021	Clement Chew Kuan Hock, Asgari Bin Mohd Fuad Stephens, Raevendran Ramachandran	Apex Investment Services Berhad	JF Apex Securities Berhad	43.0	5.18	12.06	N/A	N/A

<sup>1</sup> The Board takes cognisance that there is no standalone asset management company listed on Bursa Securities that may be adopted as comparable companies for the purposes of evaluating the Affin Hwang IB Provisional Consideration. Accordingly, in assessing the Affin Hwang IB Provisional Consideration, the Board has instead considered the Precedent Transactions to provide an indication of the prevailing market expectations in relation to the valuation of AHAM.

Date announced	Acquirer(s)	Target	Vendor(s)	Equity interest acquired	Consideration	Implied equity value	Price-to-earnings ratio ("P/E")	Price-to-AUM ratio ("P/AUM")
				%	RM'million	RM'million	times	%
01.04.2020	Ericsenz Partners Sdn Bhd	Libra Invest Berhad	Kenanga Investors Berhad	100.0	10.75	10.75	6.84	N/A
11.06.2019	Bank of Singapore Limited	Pacific Mutual Fund Bhd	Koperasi Angkatan Tentera Malaysia Berhad	30.0	10.67	35.57	N/A	N/A
			Lion Global Investors Limited	70.0	24.90	35.57	N/A	N/A
28.03.2019	Kenanga Investors Berhad	Libra Invest Berhad	ECM Libra Financial Group Berhad	100.0	50.07	50.07	29.47	0.93
11.01.2018	Principal International (Asia) Limited	CIMB-Principal Asset Management Berhad	CIMB Group Sdn Bhd	20.0	470.29	2,467.17	25.01	4.04
11.01.2018	Principal Finance Services Inc.	CIMB-Principal Islamic Asset Management Sdn Bhd	CIMB Group Sdn Bhd	10.0				
13.12.2017	Permodalan Nasional Berhad	Maybank Asset Management Group Berhad	Malayan Banking Berhad	20.0	50.00	250.00	N/A	0.80
13.12.2017	Maybank Asset Management Berhad	Amanah Mutual Berhad	Amanah Saham Nasional Berhad	100.0	16.12	16.12	9.78	N/A
		Singapore Unit Trusts Limited	PNB International Limited	100.0	34.88	34.88	14.30	N/A
10.06.2016	Plato Capital Limited	ECM Libra Financial Group Berhad	Bank Julius Bär & Co Ltd.	1.3	1.42	109.23	10.50	N/A
24.02.2016	Plato Capital Limited	ECM Libra Financial Group Berhad	Amcorp Group Berhad, Arab-Malaysian (CSL) Sdn Bhd, Equity Vision Sdn Bhd, Hikkaya Jaya Sdn Bhd	25.9	27.45	106.00	9.50	N/A
04.07.2014	Med-Bumikar Mara Sdn Bhd, Clement Chew Kuan Hock, Ng Seng Leong, Law Chee Kheong	Apex Investment Services Berhad	Apex Equity Holdings Berhad	57.0	11.10	19.47	17.22	N/A

Date announced	Acquirer(s)	Target	Vendor(s)	Equity interest acquired	Consideration	Implied equity value	Price-to-earnings ratio ("P/E")	Price-to-AUM ratio ("P/AUM")
				%	'million	'million	times	%
<b>Foreign transactions (in local currency)</b>								
04.11.2021	Victory Capital Holdings, Inc.	WestEnd Advisors, LLC	Kudu Investment Management LLC	100.0	USD 480.00	USD 480.00	N/A	2.67
26.10.2021	Schroders PLC	River & Mercantile Group PLC (Advisory, fiduciary management and derivatives business)	River and Mercantile Group PLC	100.0	GBP 230.00	GBP 230.00	12.10	0.55
26.07.2021	Allianz Global Investors Asia Pacific GmbH, PT Asuransi Allianz Life Indonesia PLC	PT RHB Asset Management Indonesia	PT RHB Securities Indonesia	99.6	EUR 7.47	EUR 7.50	N/A	1.84
11.03.2020	Mattioli Woods PLC	Hurley Partners Limited	N/A	100.0	GBP 17.60	GBP 17.60	N/A	3.09
18.02.2020	Franklin Resources, Inc.	Legg Mason, Inc.	Trian Fund Management, L.P.	100.0	USD 4,500.00	USD 4,500.00	20.10	0.56
02.12.2019	UOB Asset Management Ltd	VAM Vietnam Fund Management	Nguyen Xuan Minh	100.0	VND 113,680.00	VND 113,680.00	N/A	N/A
22.11.2019	Brooks MacDonald Group PLC	Cornelian Asset Managers Group	N/A	100.0	GBP 31.00	GBP 31.00	N/A	2.21
30.09.2019	Prudential Corporation Holdings Limited	Thanachart Fund Management	Government Savings Bank	50.1	THB 4,208.00	THB 8,399.20	N/A	3.96
04.09.2019	Premier Miton Group PLC	Miton Group PLC	David Barron, Piers Harrison, Bart Edgar, Rysaffe Trustee Company (CI) Limited and others	100.0	GBP 89.50	GBP 89.50	13.70	1.90
31.07.2019	Liontrust Asset Management	Neptune Investment Management	N/A	100.0	GBP 36.89	GBP 36.89	N/A	1.31
22.04.2019	PT Bank Tabungan Negara	PT PNM Investment Management	PT Permodalan Nasional Madani	30.0	IDR 114,300.00	IDR 381,000.00	26.70	4.49

Date announced	Acquirer(s)	Target	Vendor(s)	Equity interest acquired	Consideration	Implied equity value	Price-to-earnings ratio ("P/E")	Price-to-AUM ratio ("P/AUM")
				%	'million	'million	times	%
15.04.2019	Silvercrest Asset Management	Cortina Asset Management	N/A	100.0	USD 42.53	USD 42.53	6.50	2.50
26.11.2018	UOB Asset Management Ltd	PT PG Asset Management	PT Multikem Suplindo	75.0	IDR 23,710.48	IDR 31,613.98	N/A	12.45
19.11.2018	Paulson & Co. Inc.	BrightSphere Investment Group PLC	HNA Capital (US) Holding LLC	7.5	USD 111.60	USD 1,483.40	10.92	0.62
25.07.2018	Prudential Corporation Holdings Limited	TMB Asset Management	TMB Bank Public Company Limited	65.0	GBP 197.00	GBP 303.08	N/A	3.03
23.07.2014	CIMB-Principal Asset Management Berhad	Finansa Asset Management Limited	Finansa Public Company Limited	100.0	THB 178.00	THB 178.00	N/A	0.61
<b>High</b>							<b>29.47</b>	<b>12.45</b>
<b>Mean</b>							<b>15.19</b>	<b>2.64</b>
<b>Median</b>							<b>12.90</b>	<b>2.06</b>
<b>Low</b>							<b>6.50</b>	<b>0.55</b>
<b>AHAM (based on the Ascribed Value, PAT and AUM for the FYE 31 December 2020)</b>							<b>19.69</b>	<b>3.08</b>
<b>Implied multiples during Affin Hwang IB's acquisition of AHAM in 2014</b>							<sup>(1)</sup> <b>12.70</b>	<sup>(2)</sup> <b>1.80</b>

(Sources: Bloomberg, Capital IQ, Mergermarket, audited financial statements of the respective companies as extracted from Companies Commission of Malaysia, press releases and announcements on Bursa Securities)

**Notes:**

N/A Not available.

(1) Based on the consolidated PAT of AHAM and AII MAN Asset Management Sdn Bhd ("AII MAN") as at the time of the completion of the acquisition by ABB. Affin Hwang IB's concurrent acquisition of AHAM and AII MAN was announced by ABB on 22 January 2014 and completed on 7 April 2014 ("AHAM 2014 Acquisition").

(2) Based on the combined AUM of AHAM and AII MAN as at the time of the completion of the AHAM 2014 Acquisition.

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The Ascribed Value represents:

- (i) an implied P/E of 19.69 times which is higher than:
  - (a) the median and average P/E implied by the Precedent Transactions of 12.90 times and 15.19 times respectively; and
  - (b) the implied P/E of 12.70 times during the AHAM 2014 Acquisition; and
- (ii) an implied P/AUM of 3.08% which is higher than:
  - (a) the median and average P/AUM implied by the Precedent Transactions of 2.06% and 2.64% respectively; and
  - (b) the implied P/AUM of 1.80% during the AHAM 2014 Acquisition.

#### 4. RATIONALE OF THE PROPOSED DIVESTMENT

The Proposed Divestment provides an avenue for ABB to unlock and realise the value of its investment in AHAM at an attractive premium. As set out in **Section 3** of this Announcement, the Ascribed Value represents a P/E of 19.69 times and P/AUM of 3.08%, both of which are higher than:

- (i) those implied by the Precedent Transactions; and
- (ii) those implied during ABB Group's acquisition of AHAM in 2014 of 12.70 times and 1.80%, respectively.

The Proposed Divestment is a unique opportunity for ABB Group to realise *en bloc* a control premium on its stake in AHAM, resulting in a pro forma net gain of approximately RM1,037.2 million for ABB Group. This will significantly enhance ABB Group's capital position which will allow ABB Group to add substantial scale in its lending operations and/or enhance its capital buffer. In this regard, ABB Group's Common Equity Tier 1 ("**CET1**") ratio is expected to improve by 2.89% from 14.52% as at 31 December 2020 to 17.41% upon completion of the Proposed Divestment.

Further, the Proposed Divestment bodes well with ABB Group's transformation initiatives, which entail, among others, the following:

- (a) improving return on equity;
- (b) lowering the overall cost of funds through balance sheet optimization; and
- (c) improving risk management through enhanced asset quality management, liquidity risk and capital management initiatives.

In this regard, the Proposed Divestment would:

- (1) enable ABB Group to meaningfully improve its capital structure through the proposed utilisation of proceeds as set out in **Section 5** below; and
- (2) enable ABB to reprioritise its business focus and resources into growing its shareholders' value through its core banking business.

## 5. UTILISATION OF PROCEEDS

The proceeds from the Affin Hwang IB Provisional Consideration of RM1,417.5 million, comprising a cash payment of RM1,354.5 million and Affin Hwang IB's share of an illustrative Agreed Pre-Closing Dividend of RM63 million, is expected to be utilised in the following manner:

Table 5

<u>Details</u>	<u>Amount</u> <u>RM'million</u>	<u>(1) Expected utilisation timeframe</u>
To fund ABB Group's banking activities and/or working capital requirement <sup>(2)</sup>	1,400.9	Within 24 months
Estimated expenses in relation to the Proposed Divestment <sup>(3)</sup>	16.6	Immediate
<b>Total estimated proceeds</b>	<b>1,417.5</b>	

### Notes:

(1) *From the date of completion of the Proposed Divestment.*

(2) *To fund ABB Group's growth including financing and investing activities such as, amongst others, investing in government securities, treasury bills, money market and non-money market instruments (including private debt securities, bonds and wholesale funds), to meet liquidity obligations arising from withdrawal of deposits and retention of credit, new loan disbursements as well as for purposes of defraying operating expenses incurred in the course of day-to-day business operations. The exact proceeds to be utilised for each component have not been determined at this juncture as it would depend on the operating requirements of ABB Group at the time of utilisation.*

*In the event that the Final Purchase Price is lower than the Provisional Purchase Price, such shortfall will be adjusted from the allocation for working capital requirement. In the event that the Final Purchase Price is higher than the Provisional Purchase Price, such excess proceeds will be allocated towards working capital requirement.*

(3) *Consist of professional fees, fees payable to relevant authorities, printing, advertising and other miscellaneous expenses related to the Proposed Divestment. In the event that the expenses for the Proposed Divestment are higher than budgeted, the deficit will be funded out of proceeds allocated for ABB Group's working capital requirements. Conversely, if the actual expenses for the Proposed Divestment are lower than budgeted, the excess will be utilised for ABB Group's working capital requirements.*

Pending the use of the proceeds from the Proposed Divestment, such proceeds will be placed in interest-bearing deposits with financial institution(s) and/or short-term money market instrument(s). The interest derived from the deposits with financial institution(s) and/or any gain arising from the short-term money market instrument(s) will be used for ABB Group's working capital requirements.

## 6. RISK FACTORS

The following risk factors (which may not be exhaustive) in relation to the Proposed Divestment should be noted and taken into consideration:

### 6.1 Non-completion risk

The completion of the Proposed Divestment is conditional upon the conditions precedent of the SPA, further details as set out in **Appendix I** of this Announcement, being met. There is no assurance that all the conditions precedent can be fulfilled and that the Proposed Divestment can be completed within the stipulated period permitted under the SPA. If any one or more of the terms and conditions is/are not fulfilled by either the Vendors and/or the Purchaser within the stipulated time set out in the SPA, the Proposed Divestment may be delayed or terminated.

Nevertheless, ABB Group, through Affin Hwang IB, shall endeavour to ensure that the conditions precedent which it is responsible for are fulfilled within the stipulated timeframe.

## **6.2 Contractual risk**

ABB Group, through Affin Hwang IB, is subject to certain contractual risks including, but not limited to, amongst others, the vendors' warranties and indemnities which are given or to be given pursuant to the SPA. ABB Group may also be subject to contractual risks if the pre-completion and completion obligations of Affin Hwang IB under the SPA are not fulfilled and/or in the event of any breach of the terms and conditions set out in the SPA.

ABB Group shall endeavour to ensure full compliance in relation to the fulfilment of its obligations under the SPA.

## **6.3 Loss of contribution and future income from AHAM**

Upon completion of the Proposed Divestment, the control of AHAM will be transferred from ABB to the Purchaser. Accordingly, AHAM will cease to be a subsidiary of ABB and its financials will be deconsolidated from ABB Group's financial statements.

The absence of contribution from AHAM Group upon completion of the Proposed Divestment will be largely compensated through the potential annual income to be generated from the loan growth arising from the improvement in CET1 capital as mentioned in **Section 4** above.

However, there is no assurance that ABB Group will be able to achieve the targeted loan growth and generate the desired return from the new business. To mitigate such risk, ABB Group will actively seek suitable investments and take reasonable measures including assessing the merits and risks of each investments as well as conducting due diligence on the proposed investments.

## **7. EFFECTS OF THE PROPOSED DIVESTMENT**

### **7.1 Issued share capital and substantial shareholders' shareholdings**

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

### **7.2 Net assets ("NA"), NA per share and gearing**

For illustrative purposes, the pro forma effects of the Proposed Divestment on the NA, NA per share and gearing of ABB Group based on the latest audited consolidated financial statements of ABB as at 31 December 2020 are as follows:

Table 6

	<b>Audited as at 31 December 2020</b>	<b>After the Proposed Divestment</b>
	<b>RM'million</b>	<b>RM'million</b>
Share capital	4,902.3	4,902.3
Reserves	4,664.2	<sup>(1)</sup> 5,769.5
<b>Equity attributable to owners of ABB / NA</b>	<b>9,566.5</b>	<b>10,671.8</b>
Non-controlling interest	70.6	<sup>(2)</sup> -
<b>Total equity</b>	<b>9,637.1</b>	<b>10,671.8</b>
Borrowings	3,345.5	3,345.5
No. of ordinary shares ('000)	2,079,791	2,079,791
NA per share (RM)	4.60	5.13
Gearing (times)	0.35	0.31

**Notes:**

(1) *Net increase in the reserve arising from the following:*

- (i) *net gain on divestment of RM1,037.2 million arising from the Proposed Divestment;*
- (ii) *gain on deconsolidation of AHAM and reversal of entries relating to AHAM Group of RM0.2 million; and*
- (iii) *adjustment entries to be accounted due to the reversal of Buy-back\* provision made by AHAM and the reversal of obligation to purchase AccelVantage Academy Sdn Bhd shares amounting to RM67.9 million.*

\* *Under the terms of the SOP 2014, AHAM KSM are entitled to request AHAM to progressively buy-back their Management Shares between the years 2021 and 2023 at a prescribed rate by way of a capital reduction ("Buy-back") in the event that the IPO is not completed by 31 December 2020. Pursuant to the Proposed Divestment, the Buy-Back obligation will be extinguished.*

(2) *After elimination of minority interest in AHAM amounting to RM70.6 million.*

### 7.3 Earnings and earnings per share ("EPS")

The Proposed Divestment is not expected to have any effect on the earnings and EPS of ABB Group for the FYE 31 December 2021 as the Proposed Divestment is expected to be completed by the 3rd quarter of 2022.

For illustrative purposes, assuming that the Proposed Divestment had been completed on 1 January 2020, being the beginning of the FYE 31 December 2020, the pro forma effects of the Proposed Divestment on the earnings and EPS of ABB Group are as follows:

Table 7

	<b>Amount</b>	<b>(1) Basic EPS</b>
	<b>RM'million</b>	<b>sen</b>
PAT and minority interests ("PATAMI") for the FYE 31 December 2020	230.3	11.43
Less: Deconsolidation of PAT of AHAM for the FYE 31 December 2020	(2) (65.4)	(3.25)
<b>Pro forma PATAMI for the FYE 31 December 2020 before accounting for the one-off pro forma gain arising from the Proposed Divestment and related estimated expenses</b>	<b>164.9</b>	<b>8.18</b>
Add: One-off pro forma gain arising from the Proposed Divestment assuming effected at the beginning of the FYE 31 December 2020 (3)	(4) 1,055.6	52.38
<b>Pro forma PATAMI for the FYE 31 December 2020</b>	<b>1,220.5</b>	<b>60.56</b>

**Notes:**

- (1) Computed based on the weighted average number of ABB shares in issue of 2,015,227,000 as at the beginning of FYE 31 December 2020.
- (2) After taking into consideration of Affin Hwang IB's portion after adjusting for the Buy-Back provision for the FYE 31 December 2020 of RM5.6 million.
- (3) In the event that the Final Purchase Price is adjusted upwards, the ABB Group's gain will be increased accordingly. In the event that the Final Purchase Price is adjusted downwards, the ABB Group's gain will be reduced accordingly.
- (4) Based on the Affin Hwang IB Provisional Consideration of RM1,417.5 million, less ABB Group's cost of investment in AHAM of RM282.1 million, the deconsolidation effects of AHAM's post acquisition reserve by ABB Group of RM63.2 million and estimated expenses in relation to the Proposed Divestment of RM16.6 million.

## 8. APPROVALS REQUIRED

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

- (i) the shareholders of ABB at an extraordinary general meeting to be convened;
- (ii) the Securities Commission Malaysia ("SC") for the following:
  - (a) sale and purchase of the Sale Shares as it will result in the change in the controller of AHAM and AIIMAN;
  - (b) change of AHAM's name; and
  - (c) the Purchaser to be a "related corporation" of AHAM and AIIMAN or an entity as may be approved by the SC pursuant to the Licensing Handbook issued by the SC.

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

**9. HIGHEST PERCENTAGE RATIO APPLICABLE**

The highest percentage ratio applicable to the Proposed Divestment pursuant to Paragraph 10.02(g) of the Listing Requirements is 31.3%, based on ABB's latest audited consolidated financial statements for the FYE 31 December 2020.

**10. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors and/or major shareholders of ABB, and/or person connected with them have any interest, either direct or indirect, in the Proposed Divestment.

**11. DIRECTORS' STATEMENT**

The Board, having considered all aspects of the Proposed Divestment, including the salient terms of the SPA, the basis and justification for the Affin Hwang IB Provisional Consideration, the rationale and effects of the Proposed Divestment, is of the opinion that the Proposed Divestment is in the best interest of ABB Group and is not detrimental to the interests of the shareholders of ABB.

**12. ADVISER**

Affin Hwang IB has been appointed as the Principal Adviser to ABB for the Proposed Divestment.

UBS AG Hong Kong Branch has been appointed as the Financial Adviser to Affin Hwang IB for the Proposed Divestment.

**13. APPLICATION TO THE RELEVANT AUTHORITIES**

Barring any unforeseen circumstances, the application to the relevant authorities in relation to the Proposed Divestment is expected to be made within 2 months from the date of this Announcement.

**14. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Divestment is expected to be completed by the 3rd quarter of 2022.

**15. DOCUMENTS AVAILABLE FOR INSPECTION**

The SPA will be made available for inspection at the registered office of ABB at 17th Floor, Menara Affin, 80 Jalan Raja Chulan, 50200 Kuala Lumpur, during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this Announcement.

**This announcement is dated 28 January 2022.**

## APPENDIX I – SALIENT TERMS OF THE SPA

The salient terms and conditions of the Proposed Divestment are set out below:

Matter	Indicative term
(i) Agreement to sell the Sale Shares	: Affin Hwang IB and all the AHAM KSM agree to sell and the Purchaser agrees to purchase the Sale Shares free from any encumbrances and together with all rights and advantages attaching to them as at the completion of the sale and purchase of the Sale Shares pursuant to the terms of the SPA (“ <b>Closing</b> ”).
(ii) Sale price	: The price for the Sale Shares shall be the Vendors’ proportion of shareholding represented by the Sale Shares multiplied by the Provisional Purchase Price, subject to the post-closing adjustments as set out in item (iii) below.  The Provisional Purchase Price is derived as follows:  $\text{Provisional Purchase Price} = \text{Ascribed Value} - \text{Agreed Pre-Closing Dividend}^*$ <b>Note:</b>  * <i>An amount not less than RM100 million to be distributed by AHAM to all shareholders of AHAM (in proportion to their respective shareholding) after the date of the SPA and prior to Closing.</i>
(iii) Final sale price	: The final price for the Sale Shares shall be the Vendors’ proportion of shareholding represented by the Sale Shares multiplied by the Final Purchase Price.  The Final Purchase Price is derived as follows:  $\text{Final Purchase Price} = \text{Provisional Purchase Price} + \text{Shareholders’ Equity Differential}^{(1)}$  Where:  $\text{Shareholders’ Equity Differential} = \text{Adjusted shareholders’ equity of AHAM Group}^{(2)} \text{ as at the closing date of the SPA (i.e. a date to be determined after the SPA has become unconditional) (“Closing Date”)} - \text{Adjusted shareholders’ equity of AHAM Group}^{(2)} \text{ as at 31 December 2021}$  <b>Notes:</b>  (1) <i>To be determined on the 3rd business day after the agreement or determination of the adjusted shareholders’ equity of AHAM Group as at the Closing Date. A statement of such adjusted shareholders’ equity shall be prepared by the Purchaser (together with AHAM) and delivered to the Vendors in the form prescribed under the SPA within 60 days after the Closing Date.</i>  (2) <i>Excluding any accounting movement in reserves for certain options specified in the SPA between 31 December 2021 and the Closing Date.</i>
(iv) Payment term	: The Provisional Purchase Price, multiplied by the Vendors’ proportion of shareholding in AHAM represented by the Sale Shares, will be paid by the Purchaser to the Vendors wholly in cash on the Closing Date.  Any surplus arising from the amount equal to the Shareholders’ Equity Differential, multiplied by the Vendors’ proportion of shareholding in AHAM represented by the Sale Shares, will be paid by the Purchaser to the Vendors, and vice versa, within 7 business days after the Final Purchase Price is determined.

## APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)

Matter	Indicative term
(v) Conditions precedent	<p>: Satisfaction or waiver (as the case may be) of the following conditions by the parties within 6 months from the date of the SPA with an automatic extension of 3 months or such other period as may be mutually agreed in writing between the Purchaser and Affin Hwang IB (acting as the Vendors' representative) ("<b>Conditional Period</b>"):</p> <ol style="list-style-type: none"> <li>1. each of AHAM and AIIMAN obtaining a written approval from the SC for the following:               <ol style="list-style-type: none"> <li>(a) change in AHAM and AIIMAN's shareholding resulting in a change of their controller;</li> <li>(b) change in AHAM's name; and</li> <li>(c) the Purchaser to be a "related corporation" of AHAM and AIIMAN or an entity as may be approved by the SC pursuant to the Licensing Handbook issued by the SC.</li> </ol> </li> <li>2. the approval of the shareholders of ABB for the Proposed Divestment at an EGM to be convened.</li> </ol> <p>If any of the conditions precedent is not satisfied or waived (as the case may be) within the Conditional Period, the parties shall not be bound to proceed with the sale and purchase of the Sale Shares and the SPA will be terminated. Thereafter, the parties will not have any claim against the other, save for any pre-existing breach under the SPA.</p>
(vi) Transitional Services Agreement	<p>: Execution of a transitional services agreement between AHAM, ABB, Affin Hwang IB and Hwang Enterprises Sdn Bhd in respect of the provision of certain services and the licence of the "Hwang", "AFFIN Capital" and "AFFIN" marks to the AHAM Group for a period of 9 months after the Closing Date with an option to extend a further period of 3 months at AHAM's election.</p>
(vii) Covenant on non-compete	<p>: For a period of 18 months after the Closing Date, Affin Hwang IB group and ABB Group will not carry on business which is similar to the licensed asset management business carried on by AHAM Group and will not solicit employees and customers of AHAM Group, with certain exceptions provided.</p>
(viii) Retention of employees	<p>: The Purchaser agrees and undertakes that AHAM shall retain the employment of all persons employed as at the Closing Date for a period of 1 year after the Closing Date. The Purchaser shall also procure that all material terms, benefits and conditions of employment, which on an overall basis are no less favourable than those which are applicable to the employees of AHAM prior to the Closing Date, are maintained for a period of 1 year after the Closing Date.</p>
(ix) Indemnity by the Vendors	<p>: Tax indemnity with respect to pre-closing tax liabilities of AHAM Group with a lookback period from year 2016 up to the Closing Date except insofar and to the extent that provision has been made or is made for such liabilities in the accounts, the management accounts or the adjusted shareholders' equity statement.</p>
(x) Events of default	<p>1. <u>Default by the Purchaser</u></p> <p>If all of the conditions precedent are fulfilled or waived (as the case may be) and the Purchaser does not pay the Provisional Purchase Price to the Vendors on Closing Date, Affin Hwang IB (as the Vendors' representative) shall, after due consultation with all the other Vendors, be entitled (in addition and without prejudice to all other rights and remedies available to the Vendors under the SPA and at law) to:</p> <ol style="list-style-type: none"> <li>(a) claim for specific performance as provided under the SPA;</li> </ol>



**APPENDIX I – SALIENT TERMS OF THE SPA (CONT'D)**

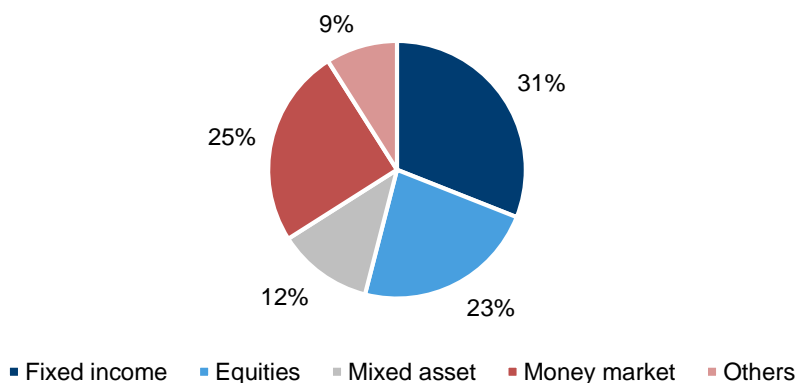
<b>Matter</b>	<b>Indicative term</b>
	<p>(b) terminate the SPA. The Vendors' interest in the Sale Shares shall remain intact; or</p> <p>(c) fix a new closing date which shall be no later than 1 month from the original Closing Date, but without prejudice to the Vendors' right to elect for any of the remedies provided in (a) or (b) above should the Purchaser fail to complete the SPA on the new closing date.</p>
	<p>2. <u>Default by the Vendors</u></p> <p>If the Vendors fail to complete its closing obligations under the SPA on the Closing Date, the Purchaser shall be entitled to:</p> <p>(a) proceed to Closing so far as practicable;</p> <p>(b) claim for specific performance against the defaulting Vendor as provided under the SPA;</p> <p>(c) terminate the SPA. The Vendors' interest in the Sale Shares shall remain intact; or</p> <p>(d) fix a new closing date which shall be no later than 1 month from the original Closing Date, but without prejudice to the Purchaser's right to elect for any of the remedies provided in (a),(b) or (c) above should the Vendors fail to complete the SPA on the new closing date.</p>
(xi) Warranties by the Vendors	<p>: 1. Warranties on business and financial matters of AHAM.</p> <p>2. Warranties on the title and ownership of the AHAM Shares.</p> <p>3. Other warranties customary for a transaction of this nature.</p>
(xii) Purchaser's right to terminate if there is a Material Adverse Change	<p>: The Purchaser may, prior to or on Closing Date, terminate the SPA if there is a Material Adverse Change (defined below) and all rights and obligations of the parties shall cease to have effect immediately upon termination.</p> <p><b>"Material Adverse Change"</b> is defined under the SPA to mean any change, event, circumstance, effect or other matter which occurs at any time after the date of the SPA but prior to the Closing Date that has, either individually or in aggregate, a material adverse effect on the ability of the AHAM Group or any group company to carry on its business in substantially the same manner as it was carried on as at the date of the SPA arising from any non-renewal, cancellation or revocation of any licences issued by the SC for the following lines of business and operations of the AHAM Group: (i) fund management and asset management (whether conventional or Islamic); (ii) dealing in securities; and/or (iii) dealing in private retirement schemes.</p>
(xiii) Parties' right to terminate the SPA if there is a MAC AUM	<p>: Either the Purchaser or the Vendors may, prior to or on Closing Date, terminate the SPA if a MAC AUM (defined below) has occurred and all rights and obligations of the parties shall cease to have effect immediately upon termination.</p> <p><b>"MAC AUM"</b> means a reduction in the aggregate amount of assets under management of the AHAM Group ("<b>AUM</b>") as at the date falling on the 5th business day prior to the Closing Date relative to the AUM (including the AUM of the money market funds managed by the AHAM Group) as at 31 December 2021 of RM81.1 billion ("<b>Reference Date AUM (MMF)</b>") which is caused by redemptions, withdrawal of funds or closure of account, in each case at the customer's insistence, and which amount of reduction is equal to 20% or more of the Reference Date AUM (MMF).</p>

**1. HISTORY AND BUSINESS**

AHAM was incorporated in Malaysia on 2 May 1997 as a private limited company under the name Hwang-DBS Capital Sdn Bhd, before being converted into a public company on 31 January 2001. Subsequently, the company converted its name to Hwang Investment Management Berhad (“**Hwang IM**”) on 18 January 2012 before assuming its present name on 2 September 2014 following the completion of the merger between Affin Fund Management Berhad and Hwang IM. AHAM commenced its business operations on its date of incorporation.

AHAM is a fund management company licensed under the CMSA. The principal activities of AHAM Group are the establishment, management and distribution of unit trust funds, exchange traded funds and private retirement schemes, provision of fund management services to private clients, managing corporate private equity investments, as well as providing training and coaching services to AHAM’s tied sales consultants.

AHAM is a license holder with the SC (CMSL/A0155/2007). As at 31 December 2020, AHAM adopts an active investment management style in managing its AUM of approximately RM73.0 billion, which is spread into the following asset classes:

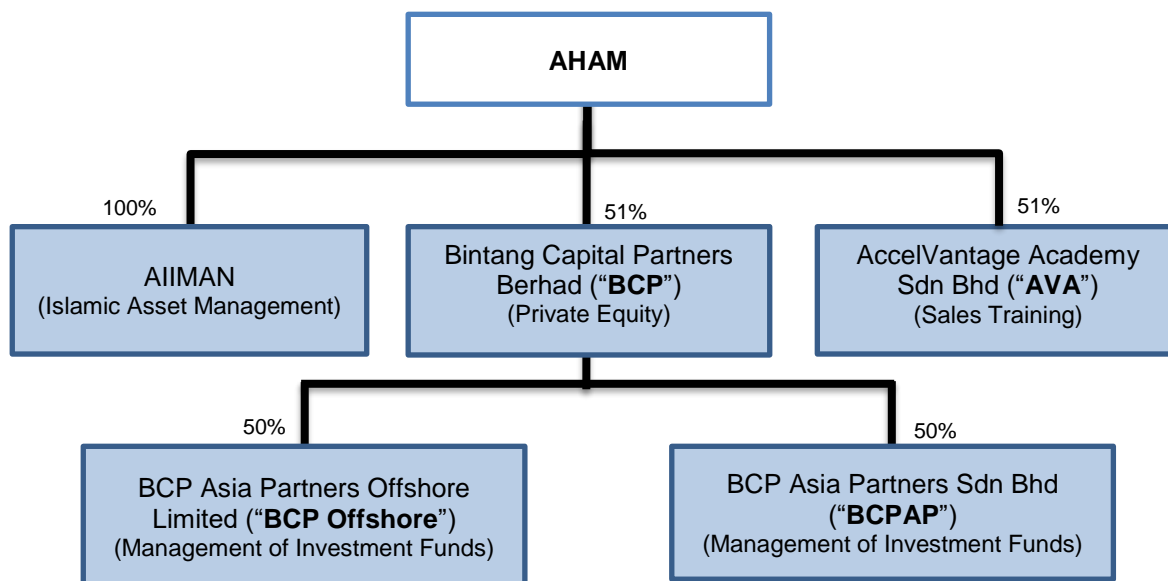


AHAM clients include pension funds, public listed companies, state funds, high net worth individuals and retail investors. Based on the audited revenue generated by AHAM for the FYE 31 December 2020, AHAM’s entire revenue was generated in Malaysia.

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## APPENDIX II – INFORMATION ON AHAM (CONT'D)

The corporate structure of AHAM Group as at the LPD is set out below:



### 2. SHARE CAPITAL

As at the LPD, AHAM has an issued share capital of RM54,773,300 comprising 11,111,000 ordinary shares.

### 3. SUBSTANTIAL SHAREHOLDERS

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

Table 8

Name	Country of incorporation / Nationality	Direct interest		Indirect interest	
		No. of shares	<sup>(1)</sup> %	No. of shares	<sup>(1)</sup> %
Affin Hwang IB	Malaysia	7,000,000	63.0	-	-
Nikko Asset Management International Limited	Singapore	3,000,000	27.0	-	-
AHAM KSM <sup>(2)</sup>	Malaysian	1,111,000	10.0	-	-
ABB	Malaysia	-	-	<sup>(3)</sup> 7,000,000	63.0
Lembaga Tabung Angkatan Tentera	Malaysia	-	-	<sup>(4)</sup> 7,000,000	63.0
Nikko Asset Management Co., Ltd.	Japan	-	-	<sup>(5)</sup> 3,000,000	27.0

**Notes:**

(1) Based on 11,111,000 AHAM Shares in issue as at the LPD.

(2) Comprising 14 management personnel who exercised their AHAM stock options into AHAM Shares pursuant to the SOP 2014.

(3) Deemed interested by virtue of its shareholdings in Affin Hwang IB pursuant to Section 8 of the Act.

## APPENDIX II – INFORMATION ON AHAM (CONT'D)

- (4) Deemed interested by virtue of its shareholdings in ABB pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of its shareholdings in Nikko Asset Management International Limited.

### 4. DIRECTORS

As at the LPD, the directors of AHAM and their shareholdings in AHAM are as follows:

Table 9

Name / Designation	Direct interest		Indirect interest	
	No. of shares	%	No. of shares	%
Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad / Non-Independent Non-Executive Chairman	-	-	-	-
Mona Suraya binti Kamaruddin / Non-Independent Non-Executive Director	-	-	-	-
Eleanor Seet Oon Hui / Non-independent Non-Executive Director	-	-	-	-
Dato' Teng Chee Wai / Non-independent Executive Director	344,410	3.10	-	-
Maj Gen Dato' Zulkiflee bin Mazlan (R) / Independent Non-Executive Director	-	-	-	-
Faizal Sham bin Abu Mansor / Independent Non-Executive Director	-	-	-	-

### 5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

As at the LPD, the subsidiaries\* of AHAM are as follows:

#### 5.1 AIIMAN

AIIMAN was incorporated in Malaysia on 19 January 1993 as a private limited company under the name Hwang-DBS Asset Management Sdn Bhd and commenced its business operations on 17 November 2008. Subsequently, the company converted its name to AIIMAN Asset Management Sdn Bhd on 5 December 2016.

AIIMAN was licensed by the SC to undertake the regulated activities of Islamic fund management on 17 October 2008. AIIMAN is principally involved in Islamic fund management activities and dealing in securities restricted to unit trust. AIIMAN is managing assets for pension funds, institutions, corporates, high net worth and mass affluent individuals.

Based on the audited revenue generated by AIIMAN for the FYE 31 December 2020, AIIMAN's entire revenue was generated in Malaysia.

As at the LPD:

- (i) AIIMAN is a wholly-owned subsidiary of AHAM;
- (ii) the issued share capital of AIIMAN is RM10,000,000 comprising 10,000,000 ordinary shares of AIIMAN; and

- (iii) the directors of AIIAMAN are Tunku Dato' Paduka Jaafar Laksmana bin Tunku Nong Jiwa, Mona Suraya Binti Kamaruddin, Laksamana Madya Dato' Abdul Ghani bin Othman (R), Dato' Mohamad Ayob bin Abu Hassan, Dato' Teng Chee Wai and Akmal bin Hassan.

## **5.2 AVA**

AVA was incorporated in Malaysia on 13 December 2017 as a private limited company. AVA commenced its business operation on its date of incorporation as a one-stop training and support centre for financial entrepreneurs in the field of wealth management. AVA is principally involved in the provision of training and coaching services.

Based on the audited revenue generated by AVA for the FYE 31 December 2020, AVA's entire revenue was generated in Malaysia.

As at the LPD:

- (i) AVA is a 51%-owned subsidiary of AHAM, with remaining 49% held by GV Capital Dynamics Sdn Bhd;
- (ii) the issued share capital of AVA is RM2,200,000 comprising 408,163 ordinary shares and 1,791,837 preference shares; and
- (iii) the directors of AVA are Dato' Teng Chee Wai, Siau Kee Yen, David Ng Kong Cheong, Lim Jen Chang, Yap Tsok Heng and Chan Chee Yuan.

## **5.3 BCP**

BCP was incorporated in Malaysia on 18 April 1975 as a private limited company under the name Merchant Holdings Sdn. Bhd. Subsequently, the company was converted to a public limited company in May 2007 and converted its name to Bintang Capital Partners Berhad on 13 April 2018. BCP was registered with the SC as a Private Equity Management Corporation on 7 May 2018, with the principal business of private equity fund management. BCP commenced its business operations on 7 May 2018. As a private equity firm, BCP seeks to deploy capital into mid-sized companies in Malaysia and across ASEAN countries that have strong fundamentals and well-established track records of delivering value.

Based on the audited revenue generated by BCP for the FYE 31 December 2020, BCP's entire revenue was generated in Malaysia.

As at the LPD:

- (i) BCP is a 51%-owned subsidiary of AHAM, with remaining 49% held by Johan Ariffin bin Rozali Wathooth, the Managing Partner and Executive Director of BCP;
- (ii) the issued share capital of BCP is RM4,500,000 comprising 1,000,000 ordinary shares and 7 redeemable convertible preference shares; and
- (iii) the directors of BCP are Gen. Dato' Seri Diraja Ran Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R), Dato' Teng Chee Wai, Johan Ariffin bin Rozali Wathooth, Datuk Ruben Emir Gnanalingam bin Abdullah and Mr. Yin Shao Loong.

**5.4 BCP Offshore**

BCP Offshore was incorporated in Cayman Islands on 7 May 2021 as an Exempt Company and has not commenced business operations as at the LPD. BCP Offshore is principally involved in the management of private equity investment fund vehicles.

As at the LPD:

- (i) BCP Offshore is a 50%-owned joint controlled entity of BCP, with the remaining 50% held by CMIA Capital Partners Pte. Ltd;
- (ii) the issued share capital of BCP Offshore is USD2 comprising 2 shares; and
- (iii) the directors of BCP Offshore are Johan Ariffin bin Rozali Wathooth and Lee Chong Min.

**5.5 BCPAP**

BCPAP was incorporated in Malaysia on 23 March 2021 as a private limited company and commenced its business operations on 31 May 2021. BCPAP is principally involved in the management of private equity investment fund vehicles.

Based on the latest management accounts of BCPAP for the FYE 31 December 2020, BCPAP's entire revenue was generated in Malaysia.

As at the LPD:

- (i) BCPAP is a 50%-owned joint controlled entity of BCP, with the remaining 50% held by CMIA Capital Partners Pte. Ltd;
- (ii) the issued share capital of BCPAP is RM2 comprising 2 shares; and
- (iii) the directors of BCPAP are Johan Ariffin bin Rozali Wathooth and Lee Chong Min.

As at the LPD, AHAM does not have any associated companies and joint ventures\*.

**Note:**

- \* *As part of its business operations, AHAM Group may undertake seed funding for funds launched and managed by the AHAM Group which may subsequently result in the said funds being categorised as a subsidiary or associate company of AHAM Group. Hence, said funds have been excluded from disclosure in this section.*

**6. FINANCIAL INFORMATION**

A summary on the key financial information of AHAM Group based on its audited financial statements for the FYEs 31 December 2018 to 2020 as well as the latest unaudited financial period ended (“FPE”) 30 September 2021 are as follows:

Table 10

	Audited			Unaudited	
	FYE 31 December 2018	FYE 31 December 2019	FYE 31 December 2020	FPE 30 September 2020	FPE 30 September 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	399,687	396,799	537,665	348,497	572,298
PBT	105,598	109,771	137,302	84,232	128,616
PAT	86,810	84,435	114,251	66,842	103,499
Current assets	540,637	816,772	890,183	968,390	890,249
Current liabilities	417,780	625,729	741,914	768,210	834,909
Share capital	10,000	54,773	54,773	54,773	54,773
NA	220,011	157,558	191,584	146,702	118,032
Total borrowings	-	-	-	-	-
Number of AHAM Shares	10,000,000	11,111,000	11,111,000	11,111,000	11,111,000
Net EPS (RM)	8.68	7.60	10.28	6.02	9.32
NA per share (RM)	22.00	14.15	17.23	13.16	10.54
Current ratio (times)	1.29	1.31	1.20	1.26	1.07
Gearing ratio (times)	-	-	-	-	-
AUM (RM'million)	47,791	57,687	72,950	65,518	81,138

**Commentaries on past financial performance**

The audited financial statements of AHAM Group for the FYEs 31 December 2018 to 2020 have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards and the Act. There was no audit qualification on AHAM's financial statements for the respective years under review.

**FYE 31 December 2019 compared with FYE 31 December 2018**

AHAM Group recorded a decrease in revenue by 0.7% from RM399.7 million in the FYE 31 December 2018 to RM396.8 million in the FYE 31 December 2019 mainly due to the lower initial service charge arising from variations in demand for AHAM Group's products. The net revenue (after commission and referral fee expenses) in FYE 31 December 2019 was 2.7% higher compared to FYE 31 December 2018.

Nevertheless, AHAM Group recorded an increase in PBT by 4.0% from RM105.6 million in the FYE 31 December 2018 to RM109.8 million in the FYE 31 December 2019 due to an increase in other income arising from the fair value appreciation of its financial assets.

However, the increase in PBT was offset by an increase in tax expenses by 34.6% from RM18.8 million in the FYE 31 December 2018 to RM25.3 million in the FYE 31 December 2019 mainly due to higher taxable income generated for the FYE 31 December 2018 and increase in deferred tax expenses mainly due to the change in the accounting treatment of the non-deductible expenses.

For the reasons discussed above, AHAM's PATAMI decreased by 2.5% from RM87.0 million for the FYE 31 December 2018 to RM84.8 million for the FYE 31 December 2019.

**FYE 31 December 2020 compared with FYE 31 December 2019**

AHAM Group recorded an increase in revenue of 35.5% from RM396.8 million in the FYE 31 December 2019 to RM537.7 million in the FYE 31 December 2020, mainly due to the higher initial service charge income, higher management fee from the higher AUM and higher performance fee income recorded by AHAM Group. The net revenue (after commission and referral fee expenses) in FYE 31 December 2020 was 27.7% higher compared to FYE 31 December 2019.

In line with the increase in revenue, AHAM Group recorded a higher PBT by 25.1% from RM109.8 million in the FYE 31 December 2019 to RM137.3 million in the FYE 31 December 2020.

The total tax expenses decreased by 8.7% from RM25.3 million in the FYE 31 December 2019 to RM23.1 million in the FYE 31 December 2020 mainly due to the under provision of tax in respect of FYE 31 December 2019.

For the reasons discussed above, AHAM Group's PATAMI increased by 35.0% from RM84.8 million for the FYE 31 December 2019 to RM114.5 million for the FYE 31 December 2020.

**FPE 30 September 2021 compared with FPE 30 September 2020**

AHAM Group recorded an increase in revenue of 64.2% from RM348.5 million in the FPE 30 September 2020 to RM572.3 million in the FPE 30 September 2021, mainly due to the higher initial service charge income, higher management fee from the higher AUM and higher performance fee income recorded by AHAM Group. The net revenue (after commission and referral fee expenses) in FPE 30 September 2021 was 39.1% higher compared to FPE 30 September 2020.

In line with the increase in revenue, AHAM Group recorded a higher PBT by 52.7% from RM84.2 million in the FPE 30 September 2020 to RM128.6 million in the FPE 30 September 2021.

The total tax expenses increased by 44.3% from RM17.4 million in the FPE 30 September 2020 to RM25.1 million in the FPE 30 September 2021 mainly due to higher taxable income generated for the FPE 30 September 2021.

For the reasons discussed above, AHAM Group's PATAMI increased by 55.5% from RM67.0 million for the FPE 30 September 2020 to RM104.2 million for the FPE 30 September 2021.