

AFFIN BANK BERHAD (“AFFIN” OR “COMPANY”)

PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN IN THE FORM OF AN EMPLOYEES’ SHARE GRANT SCHEME (“PROPOSED SGS”)

1. INTRODUCTION

Reference is made to the announcement dated 13 July 2022 in relation to the Proposed SGS.

On behalf of the Board of Directors of Affin (“**Board**”), Affin Hwang Investment Bank Berhad (“**Affin Hwang IB**”) wishes to announce that the Company proposes to establish and implement a long-term incentive plan in the form of an employees’ share grant scheme of up to 5% of the Company’s total number of issued ordinary shares (“**Affin Shares**” or “**Shares**”) (excluding treasury shares, if any) at any point in time during the duration of the Proposed SGS.

The Proposed SGS will be offered to selected eligible employees within Affin and its subsidiary companies (collectively, the “**Affin Group**” or “**Group**”) (excluding its dormant subsidiary companies), who fulfil the eligibility criteria (“**Eligible Employees**”) as stipulated by the by-laws governing the Proposed SGS (“**By-Laws**”). For avoidance of doubt, the Proposed SGS will not be extended to the Group’s joint-venture and associate companies.

Further details of the Proposed SGS are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED SGS

The Proposed SGS serves to attract, retain, motivate and reward the Eligible Employees through the award of Affin Shares that will be vested to selected Eligible Employees upon them attaining certain performance objectives and any other vesting conditions as may be determined by the Board in its discretion. Details of the eligibility criteria of the Eligible Employees are set out in Section 2.3 of this announcement.

The Proposed SGS will be administered by the Group Board Nomination and Remuneration Committee of the Company (“**GBNRC**”) in accordance with the By-Laws and will comprise such number of the Company’s independent non-executive directors as may be appointed from time to time. The GBNRC will administer the Proposed SGS in such manner pursuant to the terms of reference of the GBNRC in relation to the Proposed SGS, which is subject to the approval of the Board.

In implementing the Proposed SGS, the GBNRC, subject to the approval of our Board, will make an offer in writing to selected Eligible Employees (“**Offer**”) during the duration of the Proposed SGS. Eligible Employees who accept the Offer (“**Grantees**”) will be granted Affin Shares to be vested in accordance with the Offer and the By-Laws (“**Grants**”).

In relation to each Grant, the Affin Shares will be vested to the Grantees based on a vesting schedule (“**Grant Period**”) i.e. the Affin Shares will be vested to the Grantees on a date to be determined by the Board provided that the performance targets and vesting conditions set out in the Offer have been fulfilled (“**Vesting Date**”). Details on the performance targets and vesting conditions are set out in Section 2.4 of this announcement.

The Board on the recommendation of the GBNRC may, at its absolute discretion, decide that the Grants, be settled, wholly or partly, by any of the following methods:

- (i) issuance of new Affin Shares;
- (ii) acquisition of existing Affin Shares from the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”);
- (iii) transfer of the Company’s treasury shares, if any;
- (iv) payment of cash in lieu of (i), (ii) and (iii);

- (v) other methods as may be permitted by the Companies Act, 2016 (“**Act**”) and the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), as amended from time to time and any reenactment thereof, if any; or
- (vi) a combination of any of the above.

In determining the method of settlement, the Board will consider, among others, factors such as the issue price of new Affin Shares, the prevailing market price of the Affin Shares, funding consideration and cash requirements of the Group, the potential cost arising from the vesting of the Affin Shares, the dilutive effects on the Company’s share capital base as well as any applicable laws and/or regulatory requirements and/or administrative constraints, if relevant.

The salient terms of the Proposed SGS are set out as follows:

2.1 Maximum number of Affin Shares available under the Proposed SGS

As at 26 August 2022, being the latest practicable date prior to the date of this announcement (“**LPD**”), the Company has an issued share capital of RM5,131,561,948 comprising 2,212,329,750 Affin Shares.

The maximum number of Affin Shares which may be made available under the Proposed SGS shall not in aggregate exceed 5% of the Company’s total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed SGS (“**Maximum Shares**”).

In the event the aggregate number of Shares which may be awarded under the Proposed SGS exceeds the Maximum Shares at any point in time as a result of the Company purchasing and/or cancelling Shares in accordance with the provisions of the Act or undertaking any corporate proposal(s) resulting in the reduction of the Company’s total number of issued Shares, no further Offer shall be awarded by the Board until such aggregate number of Affin Shares already awarded under the Grant to the Grantees (and the corresponding number of Shares to be issued/transferred upon vesting of the Affin Shares) falls below the Maximum Shares. During this period, entitlement to the Shares arising from the Grant which have already been awarded at that point in time shall remain valid in accordance with the By-Laws.

2.2 Basis of allocation and maximum allowable allocation

The Board on the recommendation of the GBNRC will, at its sole and absolute discretion, determine the total number of Shares that may be offered and allocated to each Eligible Employee under the Proposed SGS at any time, after taking into consideration, among other factors, the designation, performance and contribution of the Eligible Employee and such other criteria as the Board may deem relevant (subject to the By-Laws and any applicable law).

Notwithstanding the foregoing, not more than 10% of the total number of Shares to be made available under the Proposed SGS shall be allocated to any Eligible Employee who, either singly or collectively through persons connected with them, holds 20% or more of the total number of issued Shares of the Company (excluding treasury shares, if any). Eligible Employees shall also not participate in the deliberation or discussion of their respective allocations as well as allocations to persons connected with them, if any, in accordance with the Listing Requirements.

The Board on the recommendation of the GBNRC shall have the sole and absolute discretion in determining whether the Grants under the Proposed SGS will be offered to the Eligible Employees through:

- (a) a single Offer at a time determined by the Board; or
- (b) several Offers where the vesting of the Affin Shares comprised in those Grants will be staggered or made in several tranches at such times and on terms to be determined by the Board.

If the Board decides that the Grants to be awarded or vesting of the Affin Shares are to be staggered, the Board will also decide on the number of Affin Shares to be offered in each Grant and the timing for the vesting of the Affin Shares at its sole and absolute discretion. Each Offer made to any Eligible Employees shall be separate and independent of any previous Offer made by the Company to that Eligible Employee.

2.3 Eligibility

Subject to the sole and absolute discretion of the Board on the recommendation of the GBNRC, only Eligible Employees who fulfil the following criteria as at the date the Offer is made shall be eligible to receive an Offer and participate in the Proposed SGS:

- (i) at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) a full-time employee of the Affin Group (excluding its dormant subsidiary companies) or has entered into a fixed-term employment contract and/or whose service has been confirmed;
- (iii) not a non-executive or independent director of the Company; and
- (iv) fulfils any other eligibility criteria as may be determined by the Board at its absolute discretion from time to time.

provided always that the selection of any Eligible Employees for participation in the Proposed SGS and number of Affin Shares to be awarded to them under any Grant shall be at the sole and absolute discretion of the Board whose decision shall be final and binding.

Any Offer awarded to a person who is a Director or chief executive of the Company or a person connected to a Director, major shareholder or chief executive of the Company, and the related allotment of Shares under the Grant must have been approved by the shareholders at the Company's general meetings.

The Proposed SGS will not be extended to the Group's non-executive directors.

Eligibility under the Proposed SGS does not confer an Eligible Employee any claim or right to participate in the Proposed SGS or any right whatsoever under the Proposed SGS. Further, an Eligible Employee does not acquire or have any right over or in connection with the Grant(s) unless the Offer(s) have been made by the GBNRC, subject to the approval of the Board to the Eligible Employee and the Eligible Employee has accepted the Offer(s) in accordance with the provisions of the By-Laws.

The Board on the recommendation of the GBNRC may, at its absolute discretion, determine any other eligibility criteria and/or revise or waive any of the eligibility criteria as set out above and in the By-Laws, and such decision shall be final and binding. This would be subject to compliance with the Listing Requirements and any other applicable laws or requirements (as the case may be).

2.4 Performance Targets for Vesting and Vesting Conditions

It is the Company's intention for any Offer made under the Proposed SGS to be primarily in line with the Group's long term return on equity targets. As such, the number of Affin Shares that will be vested to the Grantees and the vesting conditions for the Grants will be based on certain performance objectives, which may include, among others, individual key performance indicators, the Group meeting its overall forward performance targets and/or any other targets that may be recommended by the GBNRC for approval by the Board ("**Performance Targets**"). Such Performance Targets and/or other vesting conditions will be stipulated in the Offer to the selected Eligible Employees.

The Grantees will have to fulfil the Performance Targets and/or such other conditions as the Board may determine prior to the vesting of any Affin Shares to the Grantees during the Grant Period. The Board will determine whether the Performance Targets have been fulfilled upon expiry of the Grant Period, and such decision by the Board shall be final and binding.

On the relevant Vesting Date(s) of the Grant, the Affin Shares will only vest to the Grantees if the following vesting conditions, among others, are fully and duly satisfied:

- (i) the said Grantee has not been adjudicated a bankrupt;
- (ii) the said Grantee remains an employee of the Group (excluding its dormant subsidiary companies) and has not given notice of resignation, or received a notice of termination, or has otherwise ceased or had his/her employment terminated;
- (iii) the Performance Targets are fully and duly satisfied; and
- (iv) any other conditions as may be determined by the Board.

Notwithstanding the above, the Board on the recommendation of the GBNRC shall have full discretion to determine whether any Performance Targets and/or vesting conditions have been fully and duly satisfied, and their decision shall be final and binding.

The Affin Shares that do not vest upon the expiry of the Grant Period will be cancelled without value (unless extended at any time and from time to time by the Board in its sole discretion). For the avoidance of doubt, any unvested Affin Shares will not be vested upon expiration of the Proposed SGS.

2.5 Duration and Termination of the Proposed SGS

The Board will determine and announce the effective date for the implementation of the Proposed SGS following the Company's full compliance with all relevant requirements of the Listing Requirements, including the following ("**Effective Date**"):

- (i) submission of the final copy of the By-Laws to Bursa Securities together with a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (ii) receipt of the approval from Bursa Securities for the listing of the new Shares, if any, to be issued under the Proposed SGS;
- (iii) receipt of the Company's shareholders' approval for the Proposed SGS at the Company's extraordinary general meeting to be convened for the Proposed SGS ("**EGM**");
- (iv) receipt of the approval of any other relevant authorities for the Proposed SGS, where applicable; and

- (v) fulfilment or waiver (as the case may be) of all conditions attached to the above approvals, if any.

The Proposed SGS, when implemented, shall be in force for a period of 10 years from the Effective Date (“**SGS Period**”). Upon the expiry of the SGS Period, all unaccepted Offers shall forthwith cease to be capable of acceptance and any Grant which have yet to be vested shall cease to be capable of vesting (unless otherwise determined by the Board in accordance with the By-Laws).

The Board may terminate the Proposed SGS at any time before the expiry of the SGS Period in accordance with the terms of the By-Laws and the Company will release an announcement to Bursa Securities on the following:

- (a) the effective date of termination (“**Termination Date**”);
- (b) the number of Affin Shares vested pursuant to the Proposed SGS; and
- (c) the reasons and justifications for termination.

If the Proposed SGS is terminated, the following provisions shall apply:

- the Board will not grant any further Offers from the Termination Date;
- all Offers which have yet to be accepted by the Eligible Employees shall automatically lapse and become null and void on the Termination Date; and
- any Affin Shares under a Grant which have yet to be vested (as the case may be and whether fully or partially awarded under the Proposed SGS) shall be deemed cancelled and be null and void (unless otherwise determined by the Board pursuant to the terms of the By-Laws).

Subject to the requirements under the Listing Requirements, the Company will not be required to seek the approval or consent of its shareholders by way of resolution in a general meeting and the written consents of the Grantees in relation to the unvested Affin Shares to effect the termination of the Proposed SGS.

2.6 Alteration of share capital and adjustment

If there are any alterations to the Company’s share capital during the duration of the Proposed SGS (whether by way of rights issue, bonus issue or capitalisation of profits or reserves, consolidation or subdivision of Shares or reduction or repayment or any variation of capital), the Board on the recommendation of the GBNRC shall, at its discretion, determine the alterations necessary to the number of unvested Affin Shares comprised in the Grants, the mode of settlement of the Grants to be vested, the reference price for the Shares to be issued and the method and/or manner in the vesting of the Shares under a Grant. Such alterations (if any) will be made in accordance to the By-Laws.

Where any amendment and/or modifications are made to the By-Laws, Affin shall submit to Bursa Securities, the amended By-Laws and a confirmation letter in the form required under the Listing Requirements that the amendments and/or modifications comply with the provision of the guidelines on the Proposed SGS stipulated under the Listing Requirements no later than 5 market days from the effective date of the said amendments and/or modifications.

2.7 Ranking of the new Shares

The new Affin Shares to be allotted and issued to the Grantees under the Proposed SGS will, upon allotment and issue, rank equally in all respects with the existing Affin Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company for which the entitlement date precedes the date of allotment and issuance of the new Affin Shares. The new Affin Shares will be subjected to all provisions under the Constitution of the Company and such amendments thereafter, if any.

In respect of the existing Shares and/or treasury shares to be transferred to the Grantees pursuant to the vesting of the Affin Shares comprised in a Grant, such Shares shall rank equally in all respects with the existing Affin Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, unless the Shares are credited into the CDS accounts of the Grantees on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions.

The Affin Shares comprised in the unvested Grants do not carry any right to vote at any of the Company's general meetings. For the avoidance of doubt, the Grantees shall not in any event be entitled to any dividends, rights, allotments or other distributions on his/her unvested Grants.

2.8 Retention Period

The Affin Shares to be transferred or allotted and issued to the Grantees will not be subjected to any retention period or restriction on transfer unless otherwise determined by the Board and set out in the relevant Offer(s). However, the Grantees are encouraged to hold the Shares as a long-term investment and not for any speculative purposes and/or realisation of any immediate gain.

2.9 Listing of and quotation for the new Affin Shares

An application will be made to Bursa Securities for the listing of and quotation for such number of new Affin Shares to be issued pursuant to the Proposed SGS on the Main Market of Bursa Securities.

2.10 Trust Arrangement

For purposes of facilitating the implementation and administration of the Proposed SGS, the Company may, if required, establish a trust ("**Trust**") to be administered by a trustee ("**Trustee**"). The Trustee shall administer the Trust based on the terms and conditions of a trust deed to be executed between the Company and the Trustee ("**Trust Deed**"). The Trust Deed will provide that:

- (a) the Trustee will be entitled to accept funding and/or assistance, financial or otherwise from the Company, the Company's subsidiaries and/or third parties, to enable the Trustee to subscribe for new Affin Shares, acquire existing Affin Shares and/or receive treasury shares for the purpose of the Proposed SGS and to pay expenses in relation to the administration of the Trust; and
- (b) the Board shall have the discretion to instruct the Trustee to subscribe for new Affin Shares, acquire existing Affin Shares, and/or receive treasury shares for the purpose of the Proposed SGS at any time and from time to time and also to revoke or suspend any such instruction that has earlier been given to the Trustee.

3. UTILISATION OF PROCEEDS

The Company will not receive any proceeds from the Proposed SGS as the Grantees will not be required to pay for the Shares to be issued and allotted and/or transferred to them. However, the Eligible Employees are required to pay a nominal sum of RM1.00 to the Company as a non-refundable consideration when accepting the Offer.

4. RATIONALE FOR THE PROPOSED SGS

The Proposed SGS primarily serves as a long-term incentive plan to reward the Eligible Employees and to align their interest with the corporate goals and objectives of the Affin Group. The Proposed SGS also provides the Eligible Employees with an opportunity to have equity participation in the Company, and help the Company to achieve the following objectives:

- (i) to recognise the contributions of Eligible Employees whose services are valued and considered vital to the Group's operations and continued growth;
- (ii) to motivate Eligible Employees to work towards higher performance through greater productivity and loyalty;
- (iii) to stimulate a greater sense of belonging and dedication since Eligible Employees are given the opportunity to participate directly in the equity of the Company, thereby promoting a shared vision amongst the stakeholders to further enhance shareholder value;
- (iv) to encourage Eligible Employees to remain with the Group, thus minimising any loss of key personnel;
- (v) to align the performance of the Eligible Employees with the share performance of the Company, future growth of the Group and interests of the Company's shareholders;
- (vi) to reward Eligible Employees by allowing them to participate in the Group's growth and profitability and eventually realise potential capital gains arising from any appreciation in the value of the Shares; and
- (vii) to make the Group's remuneration scheme more competitive to attract more skilled and experienced individuals to join the Group and contribute to its continued growth.

5. EFFECTS OF THE PROPOSED SGS

5.1 Issued share capital

The Proposed SGS will not have an immediate effect on Affin's existing issued share capital until the new Shares are issued pursuant to the Proposed SGS. The Company's issued share capital will increase progressively based on the number of new Shares to be issued pursuant to the Proposed SGS, subject to a maximum of 5% of the Company's total number of issued shares (excluding treasury shares) at any point in time during the duration of the Proposed SGS.

However, there will be no effect on the Company's issued share capital if the Grants are fully satisfied *via* the acquisition of existing Shares from the Main Market of Bursa Securities.

For illustrative purposes, assuming that the Maximum Shares are fully granted and vested, and such Maximum Shares are fully satisfied by the issuance of new Shares, the pro forma effects of the Proposed SGS on the issued share capital of the Company as at the LPD, are as follows:

	No. of Shares	RM
Issued share capital as at the LPD	2,212,329,750	5,131,561,948
Maximum number of new Shares to be issued pursuant to the Proposed SGS ⁽¹⁾	110,616,487	231,188,458
Enlarged issued share capital	2,322,946,237	5,362,750,406

Note:

- (1) For illustrative purposes only, the value of the new Shares to be issued under the Proposed SGS is based on the 5-day volume-weighted average market price of the Shares up to and including the LPD, of approximately RM2.09.

It should be noted that even if the Maximum Shares stipulated above are awarded to the Grantees, the actual number of new Affin Shares to be issued may be less in view of the following:

- (i) the Grantees would need to meet the vesting conditions to be entitled to Affin Shares comprised in their Grants under the Proposed SGS;
- (ii) the unvested Affin Shares comprised in any Grant cease to be capable of vesting;
- (iii) the Grants may be satisfied through the transfer of treasury shares and/or existing Affin Shares purchased from the Main Market of Bursa Securities instead of via the issuance and allotment of new Affin Shares; and/or
- (iv) the Company may pay the equivalent cash value of the Grants in satisfaction of the vesting of Affin Shares comprised in the Grants under the Proposed SGS.

5.2 Earnings and earnings per Share (“EPS”)

The Proposed SGS is not expected to have any immediate material effect on the Group’s earnings and EPS for the financial year ending 31 December 2022.

In accordance with the Malaysian Financial Reporting Standards 2, on “Share-Based Payment” (“MFRS 2”) issued by the Malaysian Accounting Standards Board, the potential cost of awarding the new Shares under the Proposed SGS is required to be measured at fair value on the Vesting Date and recognised as an expense in the Group’s consolidated statement of comprehensive income over the Grant Period of such Shares, which may affect the Group’s earnings. The fair value of the Shares is dependent on various factors which may include, the actual number of Shares vested, the prevailing market price of Affin Shares, the volatility of Affin Share prices and the number of Grantees.

As such, the potential effects of the Proposed SGS on the Affin Group’s future earnings and EPS cannot be determined at this juncture as it will depend on the mode of settlement of the Grants (as described in Section 2 above) and the various abovementioned factors which affect the fair value of the Shares at each Vesting Date. It should be noted that such expense does not represent a cash outflow but only an accounting treatment. However, there will be cash outflow if the Affin Shares comprised in the Grants are fully or partly satisfied by way of cash.

Excluding the effects of future earnings contribution to the Group and estimated expenses (including the MFRS 2) for the Proposed SGS, if the Grants are being satisfied by the issuance of new Shares to the Grantees, the Proposed SGS will have a dilutive effect on the Group's EPS due to the increase in the Company's total number of issued shares.

The Board will take into account the potential impact of MFRS 2 on the Group's future earnings when considering the award of Offer(s) under the Proposed SGS to the Eligible Employees.

The estimated total expenses in relation to the Proposed SGS is RM950,000, which comprise mainly of professional fees, fees payable to the relevant authorities, expenses related to the Company's EGM and other miscellaneous expenses.

5.3 Net Assets ("NA"), NA per Share and gearing

Save for the potential impact of the MFRS 2 as elaborated in Section 5.2 of this announcement, the Proposed SGS is not expected to have an immediate effect on the consolidated NA, NA per Share and gearing of the Affin Group until such time when the new Shares are transferred and/or issued arising from the vesting of the Grants.

If the Grants are settled by way of issuance of new Affin Shares, there will be no effect on the Group's consolidated NA and gearing ratio. The impact on the Group's NA per Share will depend on the number of new Shares to be issued to the Grantees.

If the Grants are settled by way of transfer of existing Shares, treasury shares (if any) and/or cash, the Proposed SGS will reduce the consolidated NA and the NA per Share and increase the Group's gearing accordingly, the quantum of which can only be determined at the point of transfer of the Shares to the Grantees or payment, as the case may be.

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5.4 Substantial shareholders' shareholdings

The Proposed SGS will not have an immediate effect on the shareholdings of the substantial shareholders of the Company until such time when the new Shares are issued pursuant to the Proposed SGS. Any potential effect on the substantial shareholders' shareholdings in Affin would depend on the actual number of new Affin Shares to be issued pursuant to the Proposed SGS at any point in time.

For illustrative purposes only, the pro forma effects of the Proposed SGS based on the substantial shareholders' shareholdings in the Company as at the LPD and assuming Maximum Shares of 110,616,487 new Affin Shares are issued to the Eligible Employees (on an immediate basis) pursuant to the Proposed SGS, are as set out below:

	As at the LPD				After the Proposed SGS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Lembaga Tabung Angkatan Tentera	737,077,827	33.32	464,510,168 ⁽³⁾	21.00	737,077,827	31.73	464,510,168 ⁽³⁾	20.00
The Bank of East Asia, Limited	527,979,650	23.87	-	-	527,979,650	22.73	-	-
Boustead Holdings Berhad	464,510,168	21.00	-	-	464,510,168	20.00	-	-
Employees Provident Fund Board	140,278,374	6.34	-	-	140,278,374	6.04	-	-
Sumitomo Mitsui Banking Corporation	-	-	527,979,650 ⁽⁴⁾	23.87	-	-	527,979,650 ⁽⁴⁾	22.73

Notes:

- (1) Based on the issued share capital of 2,212,329,750 Shares.
- (2) Based on the enlarged share capital of 2,322,946,237 Shares with the assumption that Maximum Shares of 110,616,487 new Affin Shares are issued to the Eligible Employees pursuant to the Proposed SGS on an immediate basis.
- (3) Deemed interested by virtue of its shareholdings in Boustead Holdings Berhad pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of its shareholdings in The Bank of East Asia, Limited pursuant to Section 8 of the Act.

The dilution effect to the substantial shareholders' shareholdings illustrated above will be reduced to the extent the vesting of Affin Shares comprised in the Grants under the Proposed SGS are satisfied through transfer of treasury shares and/or existing Affin Shares and/or cash settlement to the Grantees. Additionally, the dilution effect to the substantial shareholders' shareholdings may also be lesser if some or all the unvested Affin Shares comprised in any Grant cease to be capable of vesting.

The Board will consider the dilutive impacts of the shareholders' shareholdings in determining the mode of settlement of the Grants (as described in Section 2 above).

5.5 Convertible securities

As at the LPD, the Company does not have any convertible securities.

6. APPROVALS REQUIRED

The Proposed SGS is subject to the approvals being obtained from the following:

- (i) Bank Negara Malaysia (“**BNM**”) for the increase in Affin’s issued share capital pursuant to the Proposed SGS;
- (ii) Bursa Securities for the listing of and quotation for such number of new Affin Shares, representing up to 5% of Affin’s total number of issued shares (excluding treasury shares, if any) to be issued on the Main Market of Bursa Securities pursuant to the Proposed SGS;
- (iii) the shareholders of Affin at the Company’s EGM; and
- (iv) any other relevant authorities, if required.

The Proposed SGS is not conditional or inter-conditional upon any other corporate exercise/scheme by Affin which has been announced but not yet completed as at the date of this announcement.

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

The Company’s President & Group Chief Executive Officer, Datuk Wan Razly Abdullah Wan Ali (“**Datuk Wan**”) is entitled to participate in the Proposed SGS in his current capacity. He is therefore deemed interested in the Proposed SGS to the extent of his allocation, as well as allocations to persons connected to him, if any.

Datuk Wan has abstained from and will continue to abstain from all deliberations, expressing an opinion and making any recommendation at all relevant Board meetings in relation to his allocation as well as allocations to persons connected to him, if any, pursuant to the Proposed SGS.

Datuk Wan will also abstain from voting in respect of his direct and/or indirect shareholdings in Affin, on the resolutions pertaining to his proposed allocation as well as allocations to persons connected to him, if any, which are to be tabled at the Company’s EGM. He will also undertake to ensure that persons connected to him will abstain from voting in respect of their direct and/or indirect shareholdings in Affin on the resolutions pertaining to his proposed allocation as well as allocations to persons connected to him, if any, which will be tabled at the Company’s EGM.

As at the LPD, Datuk Wan’s shareholding in the Company is set out as below.

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Wan	2,079,587	0.09	-	-

Save as disclosed above, none of the Company’s directors and major shareholders and/or persons connected to them or the President & Group Chief Executive Officer have any interest, direct or indirect, in the Proposed SGS.

8. DIRECTORS' STATEMENT

The Board, after taking into consideration all aspects of the Proposed SGS, including but not limited to the rationale, justifications and effects of the Proposed SGS, is of the opinion that the Proposed SGS is in the best interest of the Group.

9. ADVISER

Affin Hwang IB has been appointed as the Principal Adviser for the Proposed SGS.

10. APPLICATION TO THE REGULATORY AUTHORITIES

The application to BNM in relation to Section 6(i) above is expected to be made within 1 month from the date of this announcement. The application to Bursa Securities is expected to be made within 1 month from the date the BNM's approval is obtained.

11. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, and subject to all the required approvals being obtained, the Proposed SGS is expected to become effective within the 4th quarter of 2022.

This announcement is dated 29 August 2022.