

**THIS CIRCULAR TO SHAREHOLDERS OF AMMB HOLDINGS BERHAD (“AMMB” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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## **AMMB Holdings Berhad**

Registration No. 199101012723 (223035-V)  
(Incorporated in Malaysia and deemed registered under the Companies Act, 2016)

### **PART A**

#### **STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF THE AUTHORITY FOR AMMB HOLDINGS BERHAD TO PURCHASE UP TO 3% OF ITS TOTAL NUMBER OF ISSUED SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

### **PART B**

#### **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDER MANDATE”).**

The Proposed Renewal of Share Buy-Back Authority and the Proposed Shareholder Mandate as contained in this Circular will be tabled as Special Business at the Twenty-Ninth (“**29th**”) Annual General Meeting (“**AGM**”) of the Company to be conducted virtually through live streaming, at a broadcast venue at Board Room, 26th Floor, Bangunan AmBank Group, Jalan Raja Chulan, 50200 Kuala Lumpur (the “**Broadcast Venue**”) on Thursday, 27 August 2020 at 10.00 a.m. via the Remote Participation and Voting (“**RPV**”) facilities to be provided by Boardroom Share Registrars Sdn Bhd.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and shareholders **WILL NOT BE ALLOWED** to attend the 29th AGM in person at the Broadcast Venue on the day of the meeting. Please follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely.

The Notice of the 29th AGM together with the Administrative Guide and the Form of Proxy are available to be downloaded from the Company’s corporate website at [ambankgroup.com](http://ambankgroup.com) or Bursa Malaysia’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com)

As a shareholder, you are encouraged to go online, participate, and vote at the 29th AGM via the RPV facilities. If you are unable to participate in the 29th AGM, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instructions on the Form of Proxy. Please complete, sign and return your Form of Proxy at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd, at 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Alternatively, you may lodge your Form of Proxy via email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) or through Boardroom Smart Investor portal at <https://boardroomlimited.my>. The completed Form of Proxy must be deposited / lodged before the lodgement cut-off date and time stated below:

Last date and time for lodging the Form of Proxy : Tuesday, 25 August 2020 at 10.00 a.m.  
Date and time of the 29th AGM : Thursday, 27 August 2020 at 10.00 a.m.

This Circular is dated 28 July 2020

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**PART A:**

**PROPOSED RENEWAL OF THE AUTHORITY FOR AMMB HOLDINGS BERHAD TO  
PURCHASE UP TO 3% OF ITS TOTAL NUMBER OF ISSUED SHARES  
("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

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## DEFINITIONS

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For the purpose of this Statement, except where the context otherwise requires, the following expressions, words and abbreviations shall have the following meanings:

<b>Act</b>	:	Companies Act, 2016 as amended from time to time and includes any re-enactment thereof.
<b>AGM</b>	:	Annual General Meeting.
<b>AMMB or the Company</b>	:	AMMB Holdings Berhad [Registration No. 199101012723 (223035-V)].
<b>AMMB Group or the Group</b>	:	AMMB and its subsidiaries, collectively.
<b>ANZ</b>	:	Australia and New Zealand Banking Group Limited (005 357 522).
<b>Board</b>	:	The Board of Directors of AMMB.
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)].
<b>Code</b>	:	Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time.
<b>EPF</b>	:	Employees Provident Fund Board.
<b>EPS</b>	:	Earnings per share.
<b>ESS</b>	:	The AMMB Executives' Share Scheme which has taken effect on 5 October 2018.
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities and practice notes issued thereunder including any amendment(s) thereto that may be made from time to time.
<b>LPD</b>	:	30 June 2020, being the latest practicable date prior to the printing of this Statement.
<b>Market Day(s)</b>	:	A day on which Bursa Securities is open for the trading of securities.
<b>Minister</b>	:	Minister charged with the responsibility for companies, as defined in the Act.
<b>NA</b>	:	Net assets.
<b>Proposed Share Buy-Back</b>	:	Proposed purchase by the Company of its own shares up to three percent (3%) of the total number of issued shares.
<b>Proposed Renewal of Share Buy-Back Authority</b>	:	Proposed renewal of the authority for AMMB to purchase up to three percent (3%) of the total number of issued shares.
<b>Prevailing Laws</b>	:	Prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities.

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**DEFINITIONS (Cont'd)**

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<b>Purchased Shares</b>	:	Shares to be purchased by us pursuant to the Proposed Share Buy-Back.
<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively.
<b>SC</b>	:	Securities Commission Malaysia.
<b>Share(s)</b>	:	Ordinary share(s) in the capital of the Company.
<b>VWAP</b>	:	Volume weighted average market price.

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Statement are to the Company and, save where the context otherwise requires, shall include our subsidiaries.

All references to “**you**” in this Statement are to the shareholders of the Company.

In this Statement, reference to a time of day shall be a reference to Malaysian time. Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include a company or a corporation.

Throughout this Statement, for ease of reading, certain figures have been rounded.

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# AMMB Holdings Berhad

Registration No. 199101012723 (223035-V)  
(Incorporated in Malaysia and deemed registered under the Companies Act, 2016)

**Registered Office:**

22<sup>nd</sup> Floor, Bangunan Ambank Group  
No.55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Malaysia

28 July 2020

**Board of Directors:**

Tan Sri Azman Hashim (*Chairman, Non-Independent Non-Executive Director*)  
Graham Kennedy Hodges (*Non-Independent Non-Executive Director*)  
Soo Kim Wai (*Non-Independent Non-Executive Director*)  
Voon Seng Chuan (*Senior Independent Non-Executive Director*)  
Seow Yoo Lin (*Independent Non-Executive Director*)  
Farina binti Farikhullah Khan (*Independent Non-Executive Director*)  
Hong Kean Yong (*Independent Non-Executive Director*)  
Dato' Kong Sooi Lin (*Independent Non-Executive Director*)

**To: The Shareholders of AMMB Holdings Berhad**

Dear Sir/Madam,

**PROPOSED RENEWAL OF THE AUTHORITY FOR AMMB HOLDINGS BERHAD TO PURCHASE UP TO 3% OF ITS TOTAL NUMBER OF ISSUED SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

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**1. INTRODUCTION**

On 4 June 2020, the Company announced its intention to seek the approval of its shareholders for the Proposed Renewal of Share Buy-Back Authority at the 29th AGM of the Company.

The purpose of this Statement is to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority as well as to set out the recommendation of the Board and to seek your approval for the resolution to be tabled at the 29th AGM of the Company to be held on 27 August 2020. The extract of the Notice of the 29th AGM that relates to the Proposed Renewal of Share Buy-Back Authority is set out in Appendix I.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY.**

**2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Company is seeking your approval for renewal of the authority to allow the Company to purchase up to three percent (3%) of its total number of issued shares at any point in time, subject to compliance with Section 127 of the Act, Chapter 12 of the Listing Requirements, the Code and any Prevailing Laws at the time of purchase(s).

The maximum aggregate number of shares which may be purchased by the Company shall not exceed three percent (3%) of the total number of issued shares at any point in time.

As at the LPD, the total number of issued shares of the Company stood at 3,014,184,844 shares. Hence, subject to your approval, we may purchase up to 90,425,545 shares (inclusive of 5,388,800 shares that have been purchased and retained as treasury shares) pursuant to the Proposed Share Buy-Back, representing three percent (3%) of the total number of issued shares.

The purchase of shares under the Proposed Renewal of Share Buy-Back Authority will be carried out through Bursa Securities via stockbroker(s) appointed by our Board.

Your authority for the Proposed Renewal of Share Buy-Back Authority, if renewed, will be effective upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority at our forthcoming AGM to be convened until:

- (a) the conclusion of our Thirtieth ("30<sup>th</sup>") AGM, at which time the authority shall lapse unless by ordinary resolution passed at the 30th AGM, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the 30th AGM is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by you at a general meeting,

whichever is the earlier.

Your approval for the Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its shares. However, it will allow the Board to exercise the power of the Company to purchase shares at any time within the abovementioned time period.

## **2.1 Source of funds**

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Share Buy-Back must be made wholly out of the retained profits of the Company. We intend to use internally generated funds to finance the Proposed Share Buy-Back subject to compliance with Section 127 of the Act and any Prevailing Laws at the time of the purchase. Notwithstanding this, in the event the Proposed Share Buy-Back (or any part of it) is to be financed through external borrowings, the Board will ensure that we have sufficient funds to repay such external borrowings.

The Proposed Share Buy-Back is not expected to have a material impact on the cashflow position of the Company. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back.

Based on the audited consolidated financial statements of the Company for the financial year ended 31 March 2020, the retained profits of the Company is approximately RM4.3 billion. The Board shall ensure that the maximum funds to be utilised for the Proposed Share Buy-Back shall not exceed the aggregate of the retained profits of the Company.

The actual number of shares to be purchased, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as our financial resources and retained profits.

## **2.2 Treatment of Purchased Shares**

In accordance with Section 127(4) of the Act, we would be able to deal with any shares so purchased by us in the following manner:

- (a) cancel the shares so purchased;
- (b) retain the shares so purchased as treasury shares; or
- (c) a combination of (a) and (b) above.



The decision whether to retain the Purchased Shares as treasury shares or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time subject to our compliance with the Prevailing Laws.

Accordingly, based on Section 127(7) of the Act subject to our compliance with the Prevailing Laws, where such shares are held as treasury shares, the Directors may, at their discretion:

- (a) distribute any or all of the shares as dividends to our shareholders, such dividends to be known as 'shares dividends';
- (b) resell any or all of the shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer any or all of the shares for the purposes of or under the ESS and any other employees' share scheme which we may establish in the future;
- (d) transfer any or all of the shares as purchase consideration;
- (e) cancel any or all of the shares; or
- (f) sell, transfer or otherwise use any or all of the shares for such other purposes as the Minister may by order prescribe.

If such Purchased Shares are held as treasury shares, the rights attaching to them in relation to voting, dividends and participation in any other distribution or otherwise would be suspended and the treasury shares would not be taken into account in calculating the number or percentage of shares or a class of shares in our Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisition of meetings, the quorum for meetings and the result of a vote on resolution(s) at meetings.

### **2.3 Purchase/Resale/Transfer Price**

Pursuant to the Listing Requirements, the purchase price of the shares cannot be more than fifteen percent (15%) above the five (5)-Market Day VWAP of shares immediately prior to the date of any purchase(s).

In the case of a resale or transfer of Purchased Shares, the Purchased Shares may be resold or transferred on Bursa Securities at a price,:

- (a) not less than the five (5)-Market Day VWAP of the shares immediately prior to the resale or transfer; or
- (b) at a discount of not more than five percent (5%) to the five (5)-Market Day VWAP of the shares immediately prior to the resale or transfer provided that:
  - (i) the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of shares being resold or transferred.

### **2.4 Public shareholding spread**

The Board undertakes that the Proposed Share Buy-Back will be implemented in accordance with the Prevailing Laws at the time of the purchase including compliance with the 25% public shareholding spread as required under paragraph 8.02(1) of the Listing Requirements or such other percentage as approved by Bursa Securities.

Based on the Record of Depositors of the Company as at LPD, the public shareholding spread was 63.24% of the total number of issued shares (which exclude 5,388,800 shares that have been purchased and retained as treasury shares). Assuming that the Proposed Share Buy-Back is implemented in full and all the shares so purchased (and assuming all shares so purchased

are from public shareholders in the market) are thereafter cancelled, the public shareholding spread of the Company is expected to reduce to 62.1%.

In implementing the Proposed Share Buy-Back, the Company will be mindful in ensuring that the minimum public shareholding spread of twenty-five percent (25%) is met and maintained.

## **2.5 Implications of the Code**

As at the LPD and based on the Company's Register of Substantial Shareholders, the provisions on mandatory takeovers under the Code will not be triggered by any of our shareholders solely by reason of the Proposed Renewal of Share Buy-Back Authority being carried out in full.

## **3. RATIONALE**

The Proposed Renewal of Share Buy-Back Authority, if implemented, will enable the Company to utilise its surplus financial resources more efficiently to purchase its own shares to be dealt with in the manner set out in Section 2.2 of this Statement.

The Purchased Shares, whether to be held as treasury shares or subsequently cancelled, will effectively reduce the number of shares carrying voting rights. Therefore, you may enjoy an increase in the value of your investment in us due to the increase in our EPS.

The Purchased Shares can be held as treasury shares to be transferred for the purpose of or under the ESS or any other employees' share scheme to be established by us or resold on Bursa Securities at a higher price with the intention of realising potential gain without affecting our total issued share capital. Should any treasury shares be distributed as share dividends, this would also serve to reward you.

Please refer to Section 4 below for the potential advantages and disadvantages of the Proposed Renewal of Share Buy-Back Authority.

## **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

### **4.1 Potential advantages**

The potential advantages of the Proposed Share Buy-Back are as follows:

- (a) enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may also strengthen the consolidated EPS of the Group;
- (b) provide the Company with opportunities for potential gains if the Purchased Shares which are retained as treasury shares are resold at prices that are higher than their cost of purchase;
- (c) stabilise the supply and demand of our shares traded on Bursa Securities and reduce the volatility of the prices of our shares. The stability of our share price is important to maintain investors' confidence and may also assist in facilitating future fund raising exercises via the equity market; and
- (d) allow us to transfer the shares held as treasury shares for the purpose of or under the ESS or any other employees' share scheme to be established by us without the necessity of appointing a trustee, thus, saving costs. It will also enhance our tax efficiency as the Purchased Shares qualifies us for certain tax deduction.

### **4.2 Potential disadvantages**

The potential disadvantages of the Proposed Share Buy-Back are as follows:

- (a) may temporarily reduce our immediate financial resources;

- (b) may result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposits in interest bearing instruments;
- (c) may reduce the amount of resources available for distribution to you in the form of cash dividends as funds are utilised to purchase our own shares; and
- (d) our cash flow will be affected and gearing levels may increase should we decide to utilise bank borrowings to finance the Proposed Share Buy-Back.

Nevertheless, the Board is of the view that the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantage to you as it will be implemented only after in-depth consideration of the financial resources of our Company and the resultant impact to you. The Board will be mindful of both the Board and your interests and will be prudent with respect to the above exercise.

## 5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

Assuming the Proposed Share Buy-Back is implemented in full, its effect on our share capital, earnings, NA, working capital, gearing and shareholding structure of our Directors and substantial shareholders are set out below:

### 5.1 Total Number of Issued Shares

The effect of the Proposed Share Buy-Back on the Company's issued share capital and total number of issued shares will depend on whether the Purchased Shares are retained as treasury shares or cancelled.

If the Purchased Shares are retained as treasury shares, the Proposed Share Buy-Back will not affect the Company's issued share capital but the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company will be suspended. The treasury shares will not be taken into account in calculating the number or percentage of shares, or of a class of shares in the Company for any purpose including substantial shareholdings, take-overs, notices, requisitioning of meetings, quorum for a meeting and result of a vote on a resolution at a meeting.

For illustration purposes, based on the total number of issued shares as at the LPD, and assuming the maximum number of shares (of up to three percent (3%) of the total number of issued shares) under the Proposed Share Buy-Back is purchased and such Purchased Shares are cancelled, the effect of the Proposed Share Buy-Back on the total number of issued shares of the Company will be as follows:

	<u>No. of Shares</u>	<u>%</u>
Total number of issued shares as at LPD	3,014,184,844	100
<i>Less:</i>		
Maximum number of shares that may be purchased and cancelled pursuant to the Proposed Share Buy-Back (inclusive of 5,388,800 shares that have been purchased and retained as treasury shares)	<u>(90,425,545)</u>	<u>3</u>
<b>After the Proposed Share Buy-Back</b>	<u>2,923,759,299</u>	<u>97</u>

### 5.2 Earnings and EPS

The effects of the Proposed Share Buy-Back on the earnings and EPS of our Company will depend on, inter alia, the number of Purchased Shares, the purchase price of such shares, the effective funding cost to our Company to finance the Purchased Shares or any loss in interest income to our Company and the proposed treatment of the Purchased Shares.

### 5.3 NA and NA per Share

Our consolidated NA may increase or decrease depending on the number of shares purchased, the purchase prices of the Purchased Shares, the effective cost of funding and the treatment of the Purchased Shares. The Proposed Share Buy-Back will reduce the NA per share when the purchase price exceeds the NA per share at the time of purchase. On the contrary, the NA per share will increase when the purchase price is less than the NA per share at the time of purchase.

### 5.4 Gearing

Assuming that the treasury shares are being retained by the Company and no borrowing is being used to fund any purchase of the Purchased Shares, the Proposed Share Buy-Back may increase the gearing of the Group as the Purchased Shares will reduce the equity by the cost of shares acquired and held as treasury shares.

The Proposed Share Buy-Back may further increase the gearing of our Company if borrowing is used to fund any purchase of the Purchased Shares. However, at this juncture, we have not determined whether to use any borrowing to purchase any shares under the Proposed Share Buy-Back.

### 5.5 Substantial Shareholders' and Directors' shareholdings

#### 5.5.1 Substantial Shareholders' shareholdings

For illustration purposes, the proforma effect of the Proposed Share Buy-Back on the shareholdings of the substantial shareholders of the Company based on the Register of Substantial Shareholders as at the LPD is set out below:

	As at LPD				After the Proposed Share Buy-Back <sup>(1)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(4)</sup>	No. of Shares	% <sup>(4)</sup>	No. of Shares	%	No. of Shares	%
Tan Sri Azman Hashim	-	-	391,069,003 <sup>(2)</sup>	13.00	-	-	391,069,003 <sup>(2)</sup>	13.38
ANZ Funds Pty Limited	716,841,483	23.82	-	-	716,841,483	24.52	-	-
ANZ	-	-	716,841,483 <sup>(3)</sup>	23.82	-	-	716,841,483 <sup>(3)</sup>	24.52
Amcorp Group Berhad	391,069,003	13.00	-	-	391,069,003	13.38	-	-
Clear Goal Sdn Bhd	-	-	391,069,003 <sup>(2)</sup>	13.00	-	-	391,069,003 <sup>(2)</sup>	13.38
EPF	302,949,137	10.07	-	-	302,949,137	10.36	-	-

**Notes:**

- (1) Assuming the Proposed Share Buy-Back is implemented in full, i.e. three percent (3%) of the total number of issued shares so acquired from non-substantial shareholders, and the Purchased Shares are subsequently cancelled or held as treasury shares.
- (2) Deemed interested by virtue of Section 8(4) of the Act (shareholdings held through Amcorp Group Berhad).
- (3) Deemed interested by virtue of Section 8(4) of the Act (shareholdings held through ANZ Funds Pty Limited).
- (4) Calculated based on 3,008,796,044 shares (which exclude 5,388,800 shares that have been purchased and retained as treasury shares as at LPD)

## 5.5.2 Directors' shareholdings

For illustration purposes, the proforma effect of the Proposed Share Buy-Back on the shareholdings of the Directors of the Company based on the Register of Directors' Shareholdings as at the LPD is set out below:

	As at LPD				After the Proposed Share Buy-Back <sup>(1)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Azman Hashim	-	-	391,069,003 <sup>(2)</sup>	13.00 <sup>(3)</sup>	-	-	391,069,003 <sup>(2)</sup>	13.38
Graham Kennedy Hodges	-	-	-	-	-	-	-	-
Soo Kim Wai	-	-	-	-	-	-	-	-
Voon Seng Chuan	-	-	-	-	-	-	-	-
Seow Yoo Lin	-	-	-	-	-	-	-	-
Farina binti Farikhullah Khan	-	-	-	-	-	-	-	-
Hong Kean Yong	-	-	-	-	-	-	-	-
Dato' Kong Sooi Lin	-	-	-	-	-	-	-	-

### Notes:

- (1) Assuming the Proposed Share Buy-Back is implemented in full, i.e. three percent (3%) of the total number of issued shares so acquired from non-substantial shareholders, and the Purchased Shares are subsequently cancelled or held as treasury shares.
- (2) Deemed interested by virtue of Section 8(4) of the Act (shareholdings held through Amcorp Group Berhad).
- (3) Calculated based on 3,008,796,044 shares (which exclude 5,388,800 shares that have been purchased and retained as treasury shares as at LPD)

## 5.6 Working Capital

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital and cash flow of the Company, the quantum of which will depend on the purchase price of the shares and the number of shares purchased.

For Purchased Shares which are so kept as treasury shares, upon their resale, the working capital and cash flow of the Company will increase upon receipt of the proceeds of the resale. The quantum of such increase will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

## 5.7 Dividend

The Proposed Share Buy-Back is not expected to have any impact on the dividend policy of the Company nor on the Board in recommending dividends to shareholders. However, as stated in Section 2.2 above, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back.

## 6. SHARE PRICES

The monthly high and low share price of the Company as traded on Bursa Securities for the past twelve (12) months from July 2019 to June 2020 are as follows:

	High (RM)	Low (RM)
<b>2019</b>		
July	4.42	4.15
August	4.25	3.88
September	4.22	3.97
October	4.15	3.81
November	4.20	3.92

December	4.04	3.78
<b>2020</b>		
January	3.95	3.70
February	3.96	3.66
March	3.74	2.82
April	3.18	3.90
May	3.17	2.89
June	3.48	3.01
Last transacted share price of the Company on Bursa Securities on the LPD		3.11

(Source: Bloomberg)

## 7. PURCHASES, RESALE, TRANSFER AND CANCELLATION MADE IN THE PRECEDING 12 MONTHS

Date of purchase	No. of shares purchased	Lowest price (RM)	Highest price (RM)	Average price (RM)	Total consideration (RM) <sup>(1)</sup>
12/12/2019	225,000	3.88	3.90	3.89	878,225
13/12/2019	200,000	3.84	3.85	3.85	772,579
16/12/2019	220,000	3.79	3.82	3.81	839,617
17/12/2019	200,000	3.79	3.82	3.81	764,605
18/12/2019	200,000	3.81	3.86	3.84	770,159
19/12/2019	205,000	3.84	3.89	3.87	798,470
20/12/2019	125,000	3.87	3.91	3.89	487,978
23/12/2019	130,000	3.91	3.94	3.93	512,493
24/12/2019	90,000	3.91	3.93	3.92	353,755
26/12/2019	64,000	3.91	3.92	3.92	251,392
27/12/2019	65,000	3.91	3.93	3.92	255,864
30/12/2019	134,500	3.92	3.95	3.95	532,154
31/12/2019	220,000	3.90	3.93	3.92	863,011
3/3/2020	650,000	3.61	3.67	3.64	2,374,825
4/3/2020	560,000	3.62	3.71	3.67	2,077,719
5/3/2020	200,000	3.69	3.71	3.70	741,089
6/3/2020	300,000	3.66	3.71	3.69	1,110,992
9/3/2020	600,000	3.60	3.66	3.63	2,183,471
10/3/2020	350,000	3.56	3.64	3.63	1,272,862
11/3/2020	680,000	3.58	3.64	3.62	2,466,462
12/3/2020	300,000	3.43	3.56	3.50	1,051,237
13/3/2020	777,400	3.18	3.32	3.25	2,543,852
16/3/2020	300,000	3.02	3.13	3.08	922,677
17/3/2020	350,000	2.86	3.10	2.98	1,044,321
18/3/2020	200,000	2.97	3.08	3.03	602,955
19/3/2020	150,000	2.90	3.00	2.95	443,666
<b>Total</b>	<b>7,495,900</b>				<b>26,916,430</b>

**Note:**

(1) Inclusive of transaction cost and tax, where applicable.

During the preceding 12 months and up to the LPD, a total of 2,107,100 Purchased Shares were transferred to the eligible employees under the ESS on 29 April 2020 at a transfer price of RM2.95. The transfer price was computed based on 5-days VWAP prior to the date of transfer.

The remaining number of Purchased Shares that are being retained as treasury shares as at LPD is 5,388,800.

## **8. APPROVAL REQUIRED**

The Proposed Renewal of Share Buy-Back Authority is subject to your approval at the forthcoming AGM of the Company to be convened.

We have obtained Bank Negara Malaysia's approval for the Proposed Share Buy-Back for purposes of the ESS.

## **9. DIRECTORS' AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS**

Save for the proportionate increase in the percentage shareholdings and/or voting rights of our Directors and substantial shareholders as a result of the decrease in the total number of issued shares after the Proposed Share Buy-Back, which will similarly affect our other shareholders, none of our Directors and/or substantial shareholders and/or person(s) connected to them, have any interest, direct or indirect, in the Proposed Share Buy-Back and the subsequent resale of treasury shares, if any, in the future.

## **10. DIRECTORS' STATEMENT AND RECOMMENDATION**

Having considered all aspects of the Proposed Share Buy-Back, the members of the Board are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Group. Accordingly, they recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

## **11. AGM**

The 29th AGM of the Company, the Notice of which is set out in the 2020 Integrated Report, will be conducted virtually through live streaming, at a broadcast venue at Board Room, 26<sup>th</sup> Floor, Bangunan AmBank Group, Jalan Raja Chulan, 50200 Kuala Lumpur on Thursday, 27 August 2020 at 10.00 a.m. at which the Proposed Renewal of Share Buy-Back Authority will be tabled, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Share Buy-Back. An extract of the AGM Notice setting out the ordinary resolution in respect of the Proposed Renewal of Share Buy-Back Authority is enclosed in Appendix I of this Statement.

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and shareholders **WILL NOT BE ALLOWED** to attend the 29th AGM in person at the broadcast venue on the day of the meeting. For further information, please refer to the Notice of the 29<sup>th</sup> AGM.

As a shareholder, you are encouraged to go online, participate, and vote at the 29th AGM via the RPV facilities. If you are unable to participate in the 29th AGM, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instructions on the Form of Proxy. Please complete, sign and return your Form of Proxy at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, at 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Alternatively, you may lodge your Form of Proxy via email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) or through Boardroom Smart Investor portal at <https://boardroomlimited.my>. The completed Form of Proxy must be deposited / lodged before the lodgement cut-off date and time stated below:

Last date and time for lodging the Form of Proxy : Tuesday, 25 August 2020 at 10.00 a.m.  
Date and time of the 29th AGM : Thursday, 27 August 2020 at 10.00 a.m.

**12. FURTHER INFORMATION**

You are requested to refer to the relevant appendix for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**AMMB HOLDINGS BERHAD**

**Tan Sri Azman Hashim**  
**Chairman**  
**Non-Independent Non-Executive Director**



**PART B:**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED  
SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE  
("PROPOSED SHAREHOLDER MANDATE")**

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## DEFINITIONS

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For the purpose of this Circular, except where the context otherwise requires, the following expressions, words and abbreviations shall have the following meanings:

<b>Act</b>	:	Companies Act, 2016 as amended from time to time and includes any re-enactment thereof.
<b>AGM</b>	:	Annual General Meeting.
<b>AMMB or the Company</b>	:	AMMB Holdings Berhad [Registration No. 199101012723 (223035-V)].
<b>AMMB Group or the Group</b>	:	AMMB and its subsidiaries, collectively.
<b>Amcorp</b>	:	Amcorp Group Berhad [Registration No. 191001000008 (1166-T)].
<b>Amcorp Group</b>	:	Amcorp, its subsidiaries and associated companies, collectively.
<b>ANZ</b>	:	Australia and New Zealand Banking Group Limited (005 357 522).
<b>ANZ Group</b>	:	ANZ, its subsidiaries and associated companies, collectively.
<b>Board</b>	:	The Board of Directors of AMMB.
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)].
<b>CGSB</b>	:	Clear Goal Sdn Bhd [Registration No. 200601016565 (736317-V)].
<b>Director(s)</b>	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:  (a) a director of AMMB, its subsidiary or holding company; or  (b) a chief executive officer of AMMB, its subsidiary or holding company.
<b>ESM or Existing Mandate</b>	:	Existing shareholder mandate.
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities and practice notes issued thereunder including any amendment(s) thereto that may be made from time to time.
<b>LPD</b>	:	30 June 2020, being the latest practicable date prior to the date of this Circular.

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**DEFINITIONS (Cont'd)**

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- Major Shareholder** : Includes any person who, within the preceding 6 months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in AMMB (or any other corporation which is its subsidiary) and the nominal amount of that share, or the aggregate of the nominal amount of those shares, is:
- (a) Equal to or more than 10% of the aggregate of the nominal amount of all the voting shares in AMMB; or
  - (b) Equal to or more than 5% of the aggregate of the nominal amount of all the voting shares in AMMB where such person is the largest shareholder of AMMB.
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.
- Proposed Shareholder Mandate** : Proposed renewal of existing shareholder mandate for Recurrent Related Party Transactions with Amcorp Group.
- Recurrent Related Party Transaction(s)** : A recurrent related party transaction of a revenue or trading nature which is necessary for the day-to-day operations of the Group and has been made or will be made in the ordinary course of the Group’s business.
- Related Party(ies)** : Means a Director, Major Shareholder or person connected with such Director or Major Shareholder.
- RM and Sen** : Ringgit Malaysia and sen respectively.
- TSAH** : Tan Sri Azman Hashim.

All references to “**you**” in this Circular are to the shareholders of the Company.

In this Circular, reference to a time of day shall be a reference to Malaysian time. Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include a company or a corporation.

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# AMMB Holdings Berhad

Registration No. 199101012723 (223035-V)  
(Incorporated in Malaysia and deemed registered under the Companies Act, 2016)

## Registered Office

22nd Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur  
Malaysia

28 July 2020

## Board of Directors:

Tan Sri Azman Hashim (*Chairman, Non-Independent Non-Executive Director*)  
Graham Kennedy Hodges (*Non-Independent Non-Executive Director*)  
Soo Kim Wai (*Non-Independent Non-Executive Director*)  
Voon Seng Chuan (*Senior Independent Non-Executive Director*)  
Seow Yoo Lin (*Independent Non-Executive Director*)  
Farina binti Farikhullah Khan (*Independent Non-Executive Director*)  
Hong Kean Yong (*Independent Non-Executive Director*)  
Dato' Kong Sooi Lin (*Independent Non-Executive Director*)

**To: The Shareholders of AMMB Holdings Berhad**

Dear Sir / Madam,

## PROPOSED SHAREHOLDER MANDATE

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### 1. INTRODUCTION

On 4 June 2020, the Company announced its intention to seek the approval of its shareholders for the Proposed Renewal of Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature at the 29th AGM of the Company.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholder Mandate as well as to set out the recommendation of the Board and to seek your approval for the resolution to be tabled at the 29th AGM of the Company to be held on 27 August 2020. The extract of the Notice of the 29th AGM that relates to the Proposed Shareholder Mandate is set out in Appendix I.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDER MANDATE.**

## 2. PROPOSED SHAREHOLDER MANDATE

AMMB had, at the Twenty-Eighth (28th) AGM held on 31 July 2019, obtained a mandate from its shareholders (the ESM) to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations in the ordinary course of business of the Group.

In accordance with paragraph 3.1.4 of Practice Note 12 of the Listing Requirements, the ESM is subject to annual renewal and, unless renewed by the Company's shareholders at a general meeting, will lapse at the conclusion of the forthcoming 29th AGM of the Company to be held on 27 August 2020.

Pursuant to paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a shareholder mandate in respect of Recurrent Related Party Transactions which are necessary for the day-to-day operations of the listed issuer and its subsidiaries, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to and/or from the public;
- (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report in respect of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year;
- (c) in a meeting to obtain shareholder mandate, the interested Director, interested Major Shareholder or person connected to such interested Director or Major Shareholder, and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with them abstain from voting on the resolution approving the transactions; and
- (d) immediately announce to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular to shareholders by 10% or more and must include such information as may be prescribed by Bursa Securities in its announcement.

The AMMB Group, in the ordinary course of business, has entered or could enter into Recurrent Related Party Transactions which are detailed in Section 2.2.1 of this Circular. The Board anticipates that such transactions could continue to occur with some degree of frequency and may arise at any point in time.

In view of the forthcoming expiry of the ESM, and the frequent nature of such Recurrent Related Party Transactions, AMMB is seeking the approval of shareholders for the Proposed Shareholder Mandate in order for the AMMB Group to enter into the Recurrent Related Party Transactions as set out in Section 2.2.1 below.

The Proposed Shareholder Mandate will, if approved by the shareholders at the forthcoming AGM, be subject to annual renewal. Any authority conferred by shareholders in respect of the Proposed Shareholder Mandate shall only be in force until:

- (a) the conclusion of the next AGM of the Company, at which time the said authority will lapse unless the authority is renewed by a resolution passed at a general meeting of the Company; or

- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM,

whichever is the earlier.

## 2.1 Classes of Related Parties

Shareholders' approval is sought for the Proposed Shareholder Mandate in respect of the Recurrent Related Party Transactions which are necessary for the AMMB Group's day-to-day operations and carried out by companies within the AMMB Group with Amcorp (a Major Shareholder of AMMB) and persons connected to Amcorp ("**Amcorp RRPT Group**") as detailed in Appendix II.

Further details of the Existing Mandate is set out in section 2.2.1 below.

## 2.2 Nature of Recurrent Related Party Transactions

The principal activity of the Company is that of an investment holding company. Its subsidiaries provide a wide range of financial services comprising investment banking, commercial banking and related financial services which include Islamic banking business, underwriting of general insurance, family takaful, stock and share-broking, futures broking, investment advisory, real estate investment trust management, asset management and unit trust management.

It is anticipated that AMMB and/or its subsidiaries would, in the ordinary course of business, enter into transactions of a revenue or trading nature with the applicable Related Parties.

All estimated values of the respective Recurrent Related Party Transactions from the forthcoming AGM to the next AGM are estimated with reasonable effort made in ascertaining their accuracy based on various factors involved in the transactions.

### 2.2.1 The Related Parties and the nature of the Recurrent Related Party Transactions under the Proposed Shareholder Mandate

The Related Parties and the nature of the Recurrent Related Party Transactions under the Proposed Shareholder Mandate are as follows:

Related Party	Party With Whom the Transaction Will Be Carried Out	Nature of Transactions	Existing Mandate		Estimated Value from Date Of Forthcoming AGM to the Next AGM (RM' 000)	Interested Directors/ Major Shareholders/ Person Connected to Them
			Estimated Value As Disclosed In Preceding Year Circular Dated 28 June 2019 (RM'000)	Actual Value Transacted Since Last AGM till LPD (RM'000)		
Amcorp Group	AMMB Group	<ul style="list-style-type: none"> <li>Provision of travelling arrangement and accommodation <sup>(Note 1)</sup></li> </ul>	4,000	1,516	4,000	Amcorp RRPT Group (detailed in Appendix II)

### **Note**

1. *Amcorp's subsidiaries and/or associated companies involved in the provision of travelling arrangement services, consisting of airline ticketing and accommodation booking.*

### **2.2.2 Previous Mandate Obtained But Renewal Will Not Be Sought**

Renewal will not be sought for Recurrent Related Party Transactions of a revenue or trading nature mandate with ANZ Group (a Major Shareholder of AMMB). This arises as there is no transaction undertaken between ANZ and the AMMB Group within the last four (4) years.

Related Party	Party With Whom the Transaction Will Be Carried Out	Nature of Transactions	Existing Mandate	
			Estimated Value As Disclosed In Preceding Year Circular Dated 28 June 2019 (RM'000)	Actual Value Transacted Since Last AGM till LPD (RM'000)
ANZ Group	AMMB Group	• Provision of technical services and business collaboration <sup>(Note 1)</sup>	1,000	-

### **Note**

1. *This relates to the technical services arrangements with ANZ for provision of services relating to:*
  - *retail, business and other banking and financial services, and the operations of a banking business. It consists primarily of project based services, provision of staff (other than senior management staff) and training and knowledge transfer services*
  - *collaboration under business principles agreement, covering customer referral, products and services sourcing, and joint deals*

### **2.3 Amount Due From and Owing to Related Parties under Recurrent Related Party Transactions**

As at the LPD, there was no outstanding amount due from or owing to the Related Parties under the Existing Mandate which has exceeded the credit term.

### **2.4 Guidelines and Review Procedures for the Recurrent Related Party Transactions**

AMMB and its subsidiary companies have internal control systems to ensure that transactions entered into with Related Party(ies) are undertaken at arm's length, on normal commercial terms which are not more favourable to the Related Party(ies) than those generally available to the public and are not detrimental to the interests of minority shareholders. Transactions entered into will be at prevailing market prices and will take into consideration, *inter-alia*, pricing, quality of the products and services, track record, experience and financial position of the supplier or vendor, speed of delivery, quality of after-sales support service and maintenance, and certification.

AMMB and its subsidiary companies have also implemented procedures to ensure proper identification and reporting of Recurrent Related Party Transactions.

The internal audit function of the AMMB Group will conduct periodic reviews of the system of controls in place to ensure that Recurrent Related Party Transactions are identified and reported, and to determine whether internal guidelines and procedures have been complied with (including those to ensure that transactions are at arm's length).

The results of the internal audit reviews will be tabled for the review of the respective Audit and Examination Committees of AMMB and its subsidiary companies. The Audit and Examination Committee will review these reports to determine whether established guidelines and procedures have been adhered to and if there is a need for further review or to improve the procedures.

Where any Director has an interest (direct or indirect) in any Recurrent Related Party Transaction, such Director (or his alternate, where applicable) shall abstain from deliberation and voting on any decision to be taken by the Board in respect of such Recurrent Related Party Transaction, if any. Where any member of the Audit and Examination Committee is interested in any Recurrent Related Party Transaction, that member shall abstain from deliberation and voting on any decision to be taken by the Audit and Examination Committee with respect to such transaction.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to or/by the Related Parties are fair and reasonable and comparable to those offered to or/by the public for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), management will ensure the Recurrent Related Party Transaction will only be entered into with the Related Party(ies) after taking into account the pricing, level of services, quality of products and other related factors to ensure that the Recurrent Related Party Transaction is not detrimental to the AMMB Group. There is no specific threshold for approval of Recurrent Related Party Transactions within the AMMB Group.

## **2.5 Audit and Examination Committee Statement**

AMMB Group has put in place adequate procedures and processes for monitoring, tracking and identifying Recurrent Related Party Transaction in a timely and orderly manner, and the adequacy and appropriateness of procedures and processes are reviewed on a periodic basis or whenever the need arises.

The Audit and Examination Committee of the Company has seen and reviewed the guidelines and procedures mentioned in Section 2.4 above and are satisfied that the guidelines and procedures are adequate to ensure that the Recurrent Related Party Transactions are/will be:

- (a) on terms not more favourable to a Related Party than those generally available to the public;
- (b) not to the detriment of the minority shareholders; and
- (c) at arm's length and on normal commercial terms having taken into account, *inter-alia*, pricing, quality of the products and services, track record, experience and financial position of the supplier or vendor, speed of delivery, quality of after-sales support service and maintenance, and certification.



## 2.6 Rationale for the Proposed Shareholder Mandate

The rationale for and benefits of the Proposed Shareholder Mandate detailed in Section 2.2 above are as follows:

- (a) the Proposed Shareholder Mandate will facilitate transactions with Related Parties in the ordinary course of business of the AMMB Group which are undertaken at arms' length, on normal commercial terms no more favourable to the Related Parties than those generally available to the public, and are not, in the Company's opinion, detrimental to minority shareholders;
- (b) the Proposed Shareholder Mandate are intended to enhance the Group's ability to pursue business opportunities, especially those which are time-sensitive in nature, and will eliminate the need for the Company to convene a separate general meeting on each occasion to seek shareholders' prior approval for such Recurrent Related Party Transactions; and
- (c) the granting of the Proposed Shareholder Mandate will substantially reduce the expenses associated with convening general meetings on an ad-hoc basis, avoid undue inconvenience to shareholders, improve administrative efficiency and allow human resources and time to be channelled towards attaining corporate objectives.

## 3. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The shareholding of the Directors and Major Shareholders, who are deemed interested in the Proposed Shareholder Mandate, as at LPD, are as follows:

Name / Company	Direct Interest <sup>2</sup>		Indirect Interest <sup>2</sup>	
	No. of shares ('000)	%	No. of shares ('000)	%
<b><u>DIRECTOR AND MAJOR SHAREHOLDER</u></b>				
Tan Sri Azman Hashim	-	-	391,069 <sup>1</sup>	13.00
<b><u>DIRECTORS</u></b>				
Soo Kim Wai	-	-	-	-
<b><u>MAJOR SHAREHOLDERS</u></b>				
Amcorp	391,069	13.00	-	-
CGSB	-	-	391,069 <sup>1</sup>	13.00

### **Notes:-**

1. Deemed interested through Amcorp
2. Calculated based on 3,008,796,044 shares (which exclude 5,388,800 shares that have been purchased and retained as treasury shares as at LPD).

TSAH is deemed interested in the Proposed Shareholder Mandate by virtue of his common directorship and substantial shareholdings in AMMB and Amcorp.

Soo Kim Wai is deemed interested in the Proposed Shareholder Mandate by virtue of his common directorship in AMMB and Amcorp. He is also a person connected to TSAH, being a person who is

accustomed or under an obligation, whether formal or informal, to act in accordance with the directions or instructions of TSAH, a Major Shareholder of AMMB and Amcorp.

Accordingly, TSAH and Soo Kim Wai have abstained and will abstain from all deliberations and voting in respect of the Proposed Shareholder Mandate relating to their respective interests at all Board meetings.

In addition, TSAH and Soo Kim Wai shall abstain from voting on the Proposed Shareholder Mandate, in respect of TSAH's indirect shareholding in AMMB and Soo Kim Wai's deemed interest in AMMB, at the forthcoming AGM.

Amcorp and CGSB are deemed interested in the Proposed Shareholder Mandate by virtue of their direct and/or indirect shareholding in AMMB and shall accordingly abstain from voting in respect of their direct and/or indirect shareholding in AMMB on the resolutions pertaining to the Proposed Shareholder Mandate, to be tabled at the forthcoming AGM.

The interested Directors and Major Shareholders shall undertake to ensure that they and persons connected to them shall abstain from voting in respect of their direct and indirect shareholdings (if any) on the respective resolutions pertaining to the Proposed Shareholder Mandate to be tabled at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders of AMMB or persons connected to them have any interest, direct or indirect, in the Proposed Shareholder Mandate.

#### **4. CONDITIONS OF THE PROPOSED SHAREHOLDER MANDATE**

The Proposed Shareholder Mandate is subject to the approval of the shareholders of the Company at the forthcoming AGM.

#### **5. DIRECTORS' STATEMENT AND RECOMMENDATION**

Having considered all aspects of the Proposed Shareholder Mandate, the members of the Board (with the exception of TSAH and Soo Kim Wai) are of the opinion that the Proposed Shareholder Mandate is in the best interest of the Group. Accordingly, they recommend that you vote in favour of the resolutions pertaining to the Proposed Shareholder Mandate to be tabled at the forthcoming AGM.

#### **6. AGM**

The 29th AGM of the Company, the Notice of which is set out in the 2020 Integrated Report, will be conducted virtually through live streaming, at a broadcast venue at Board Room, 26<sup>th</sup> Floor, Bangunan AmBank Group, Jalan Raja Chulan, 50200 Kuala Lumpur on Thursday, 27 August 2020 at 10.00 a.m. at which the Proposed Shareholder Mandate will be tabled, for the purpose of considering and, if thought fit, passing the resolution to give effect to the recurrent related party transaction. An extract of the AGM Notice setting out the ordinary resolution in respect of the Proposed Shareholder Mandate is enclosed in Appendix I of this Circular.

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and shareholders **WILL NOT BE ALLOWED** to attend the 29th AGM in person at the broadcast venue on the day of the meeting. For further information, please refer to the Notice of the 29th AGM.

As a shareholder, you are encouraged to go online, participate, and vote at the 29th AGM via the RPV facilities. If you are unable to participate in the 29<sup>th</sup> AGM and wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of the

Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, at 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Alternatively, you may lodge your Form of Proxy via email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) or through Boardroom Smart Investor portal at <https://boardroomlimited.my>. The completed Form of Proxy must be deposited / lodged before the lodgement cut-off date and time stated below:

Last date and time for lodging the Form of Proxy : Tuesday, 25 August 2020 at 10.00 a.m.  
Date and time of the 29th AGM : Thursday, 27 August 2020 at 10.00 a.m.

## **7. FURTHER INFORMATION**

You are requested to refer to the relevant appendix for further information.

Yours faithfully,  
For and on behalf of the Board of  
**AMMB HOLDINGS BERHAD**

**Seow Yoo Lin**  
**Chairman of Audit and Examination Committee**  
**Independent Non-Executive Director**

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**APPENDIX I - EXTRACT OF NOTICE OF THE 29<sup>TH</sup> AGM THAT RELATES TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AND PROPOSED SHAREHOLDER MANDATE (APPLICABLE TO PART A AND PART B OF THIS CIRCULAR)**

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The Proposed Renewal of Share Buy-Back Authority and the Proposed Shareholder Mandate will be tabled as Special Business at the 29th AGM of the Company to be conducted virtually through live streaming on Thursday, 27 August 2020 at 10.00 a.m. via the RPV facilities to be provided by Boardroom Share Registrars Sdn Bhd.

**ORDINARY RESOLUTION 10**

**PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN ORDINARY SHARES**

“THAT, subject to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of such relevant governmental and/or regulatory authorities, the Board of Directors of the Company (“Board”) be authorised to renew the authority to purchase such number of ordinary shares of the Company on the Main Market of Bursa Securities (“Proposed Renewal of Share Buy-Back Authority”) at any time through Bursa Securities, upon such terms and conditions as the Board shall in their discretion deem fit and expedient in the best interest of the Company provided that:

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed three percent (3%) of the total number of issued shares of the Company at any point in time; and
- (b) the maximum amount of funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company at the time of purchase by the Company of its own ordinary shares.

THAT upon the purchase by the Company of the ordinary shares, the Board shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and distributed as dividends or resold on the Main Market of Bursa Securities or transferred for the purpose of or under the AMMB Holdings Berhad Executives’ Share Scheme and any other employees’ share scheme which the Company may establish or any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the requirements of the Listing Requirements and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution will commence immediately upon the passing of this resolution and may only continue to be in force until:

- (a) the conclusion of the Thirtieth (“30<sup>th</sup>”) Annual General Meeting (“AGM”) of the Company, at which time the authority will lapse unless by ordinary resolution passed at the 30<sup>th</sup> AGM, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the 30<sup>th</sup> AGM of the Company is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever is the earliest but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the Listing Requirements and/or any other authorities.

AND THAT authority be and is hereby unconditionally and generally given to the Board to take all such steps that are necessary and expedient (including without limitation, the opening and maintaining of central depository accounts under the Securities Industry (Central Depositories) Act 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter on any part of the shares bought-back in accordance with the Act, the provisions of the Constitution of the Company, the Listing Requirements and all other relevant governmental and/or regulatory authorities.”

#### **ORDINARY RESOLUTION 11**

#### **PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH AMCORP GROUP BERHAD GROUP**

“THAT the shareholder mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Amcorp Group Berhad and any of its subsidiaries and/or associated companies (“Amcorp Group”) which are necessary for the day-to-day operations of the Company and/or of its subsidiaries in the ordinary course of business on terms not more favourable to Amcorp Group than those generally available to and/or from the public and which are not detrimental to the minority shareholders of the Company, particulars of which are set out in Part 2.2.1 of Section 2.2 of the Circular to Shareholders dated 28 July 2020 be hereby renewed and to continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interests of the Company and/or its subsidiaries and to give effect to the transactions contemplated and/or authorised by this resolution.”

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**APPENDIX II – DETAILS OF RELATED PARTIES (APPLICABLE TO PART B OF THIS CIRCULAR)**

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<b>Amcorp RRPT Group</b>	
<b>Interested Directors / Major Shareholders / Person Connected to Them</b>	
Amcorp	<ul style="list-style-type: none"><li>▪ Major Shareholder of AMMB</li></ul>
CGSB	<ul style="list-style-type: none"><li>▪ Major Shareholder of AMMB by virtue of Amcorp being a wholly-owned subsidiary of CGSB</li></ul>
TSAH	<ul style="list-style-type: none"><li>▪ Director of AMMB and Amcorp</li><li>▪ Major Shareholder of CGSB, Amcorp and AMMB</li></ul>
Soo Kim Wai	<ul style="list-style-type: none"><li>▪ Director of AMMB and Amcorp</li><li>▪ Person connected to TSAH</li></ul>

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**APPENDIX III – FURTHER INFORMATION (APPLICABLE TO PART A AND PART B OF THIS CIRCULAR)**

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**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

**2. MATERIAL LITIGATION**

As at the LPD, AMMB Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against the AMMB Group or any facts likely to give rise to any proceeding which might materially and adversely affect the business and financial position of the AMMB Group.

**3. MATERIAL CONTRACTS**

Save as disclosed below, neither AMMB nor any of its subsidiaries has entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular:

- (a) Sale and Purchase Agreement dated 3 January 2019 between AmBank (M) Berhad, a 100% owned subsidiary of AMMB, and Aiqon Amanah Sdn Bhd in relation to the sale of conventional non-performing loans for a cash consideration of RM428.11 million. The transaction was completed on 22 February 2019 and the consideration was fully settled.
- (b) Sale and Purchase Agreement dated 3 January 2019 between AmBank Islamic Berhad, a 100% owned subsidiary of AMMB, and Aiqon Islamic Sdn Bhd in relation to the sale of Islamic non-performing financing for a cash consideration of RM125.80 million. The transaction was completed on 5 March 2019 and the consideration was fully settled.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of AMMB during normal business hours from the date of this Circular up to and including the date of the AGM:

- (a) Constitution of AMMB;
- (b) the material contracts referred to in Section 3 above; and
- (c) audited consolidated financial statements of the AMMB Group for the past two (2) financial years ended 31 March 2019 and 31 March 2020.

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