This Circular 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.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

MALAYAN BANKING BERHAD

(Company No. 3813-K)
(Incorporated under the laws of Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED SUBSCRIPTION BY PERMODALAN NASIONAL BERHAD OF 8,336,404 NEW ORDINARY SHARES IN MAYBANK ASSET MANAGEMENT GROUP BERHAD (“MAMG SHARES”), A WHOLLY-OWNED SUBSIDIARY OF MALAYAN BANKING BERHAD (“MAYBANK”), REPRESENTING 20% OF THE ENLARGED NUMBER OF MAMG SHARES IN ISSUE, FOR A CASH CONSIDERATION OF RM50,000,000

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

Maybank Investment Bank Berhad (15939-JK)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“EGM”) of Maybank together with the Form of Proxy are enclosed in this Circular. The details of the EGM of Maybank are as follows:

Date and time of the EGM : Thursday, 12 April 2018 at 12.00 noon or immediately following the conclusion or adjournment (as the case may be) of the 58th Annual General Meeting of Maybank scheduled to be held at the same venue and on the same date at 10.00 a.m., whichever is later

Venue of the EGM : MySpace2@Ballroom, Level 3, The Malaysia International Trade and Exhibition Centre (MITEC), Kompleks MITEC, No. 8, Jalan Dutamas 2, 50480 Kuala Lumpur, Malaysia

Last day and time for lodging the Form of Proxy : Wednesday, 11 April 2018 at 12.00 noon

If you are unable to attend and vote at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf at the EGM. If you wish to do so, you must deposit the Form of Proxy at the office of our appointed share registrar for the EGM, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 5, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 11 April 2018 at 12.00 noon. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 28 March 2018
DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act : Companies Act, 2016

AMB : Amanah Mutual Berhad

AMB Adjusted NTA : Total asset value of AMB less total liabilities of AMB less intangible assets of AMB, if any

AMB Management Accounts : Management accounts of AMB as at the last day of the calendar month immediately preceding the completion date of the AMB SPA

AMB Share(s) : Ordinary share(s) in AMB

AMB SPA : Conditional share purchase agreement dated 13 December 2017, read together with the AMB Supplemental Letter, between MAMG and ASNB in relation to the Proposed AMB Acquisition

AMB SPA-CPs : Conditions precedent stipulated in the AMB SPA

AMB Supplemental Letter : Supplemental letter dated 9 March 2018 between MAMG and ASNB in relation to the AMB SPA

ASB : Amanah Saham Bumiputra

ASNB : Amanah Saham Nasional Berhad, a wholly-owned subsidiary of PNB

AUM : Assets under management

BNM : Bank Negara Malaysia

Board : Board of Directors

Bursa Securities : Bursa Malaysia Securities Berhad

Circular : This circular in relation to the Proposed Subscription dated 28 March 2018

CMSA : Capital Markets and Services Act, 2007

Effective Date : Date of completion of the Subscription Agreement

EGM : Extraordinary general meeting

EPS : Earnings per share

FYE : Financial year ended/ending, as the case may be

GDP : Gross domestic product

Goodwill : Any goodwill arising from the acquisition of PT Maybank Asset Management by MAMG
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<td>Main Market Listing Requirements of Bursa Securities</td>
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<tr>
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<td>7 March 2018, being the latest practicable date prior to the printing of this Circular</td>
</tr>
<tr>
<td><strong>MAMG</strong></td>
<td>Maybank Asset Management Group Berhad, a wholly-owned subsidiary of our Company</td>
</tr>
<tr>
<td><strong>MAMG Group</strong></td>
<td>Collectively, MAMG and its subsidiaries</td>
</tr>
<tr>
<td><strong>MAMG Adjusted NTA</strong></td>
<td>The consolidated total NAV of MAMG less the investment value of RM64,840,000 for the MPE Investments and less the Goodwill</td>
</tr>
<tr>
<td><strong>MAMG Board</strong></td>
<td>Board of Directors of MAMG</td>
</tr>
<tr>
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<td>Ordinary share(s) in MAMG</td>
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<tr>
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<td>Monetary Authority of Singapore</td>
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<td><strong>Maybank Group or Group</strong></td>
<td>Collectively, our Company and its subsidiaries</td>
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<td>Investments by MAM PE Asia Fund I (Labuan) LLP, a subsidiary of MAMG, in Rockstar Indonesia Pte Ltd, Rockstar Gym Asia Pte Ltd and YPX Cayman Holdings Co</td>
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<tr>
<td><strong>NA</strong></td>
<td>Net assets</td>
</tr>
<tr>
<td><strong>NAV</strong></td>
<td>Net asset value</td>
</tr>
<tr>
<td><strong>Nominee(s)</strong></td>
<td>Subsidiary(ies) to be nominated by MAMG in accordance with the terms of the AMB SPA or SUTL SPA, as the case may be</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>Profit after tax</td>
</tr>
<tr>
<td><strong>PATAMI</strong></td>
<td>Profit after tax attributable to the owners of the company</td>
</tr>
<tr>
<td><strong>PB</strong></td>
<td>Price-to-book</td>
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<td><strong>PIL</strong></td>
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<td>Permodalan Nasional Berhad</td>
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<td>Selected past transactions involving the acquisition of asset management companies in Malaysia</td>
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<td>Collectively, the Proposed AMB Acquisition and Proposed SUTL Acquisition</td>
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<tr>
<td>Proposed AMB Acquisition</td>
<td>Proposed acquisition by MAMG of 5,000,000 AMB Shares, representing 100% equity interest in AMB, for a cash consideration of RM16,120,000 pursuant to the AMB SPA</td>
</tr>
<tr>
<td>Proposed Subscription</td>
<td>Proposed subscription by PNB of 8,336,404 new MAMG Shares, representing 20% of the enlarged number of MAMG Shares in issue, for the Subscription Consideration pursuant to the Subscription Agreement</td>
</tr>
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<td>Proposed SUTL Acquisition</td>
<td>Proposed acquisition by MAMG of 940,000 SUTL Shares, representing 100% equity interest in SUTL, for a cash consideration of RM34,880,000 pursuant to the SUTL SPA</td>
</tr>
<tr>
<td>SC</td>
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<tr>
<td>Shareholders’ Agreement</td>
<td>A shareholders’ agreement to be entered into between our Company, MAMG and PNB upon completion of the Proposed Subscription</td>
</tr>
<tr>
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<td>Collectively, the AMB SPA and SUTL SPA</td>
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<td>Conditions precedent stipulated in the Subscription Agreement</td>
</tr>
<tr>
<td>Subscription Consideration</td>
<td>Cash consideration of RM50,000,000 for the Proposed Subscription</td>
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<tr>
<td>Subscription Shares</td>
<td>8,336,404 new MAMG Shares to be issued pursuant to the Proposed Subscription</td>
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<tr>
<td>SUTL</td>
<td>Singapore Unit Trusts Limited</td>
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<tr>
<td>SUTL Adjusted NTA</td>
<td>Total asset value of SUTL less total liabilities of SUTL less intangible assets of SUTL, if any</td>
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<tr>
<td>SUTL Management Accounts</td>
<td>Management accounts of SUTL as at the last day of the calendar month immediately preceding the completion date of the SUTL SPA</td>
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<td>SUTL Share(s)</td>
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<td>Conditional share purchase agreement dated 13 December 2017, read together with the SUTL Supplemental Letter, between MAMG and PIL in relation to the Proposed SUTL Acquisition</td>
</tr>
<tr>
<td>SUTL SPA-CPs</td>
<td>Conditions precedent stipulated in the SUTL SPA</td>
</tr>
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<td>SUTL Supplemental Letter</td>
<td>Supplemental letter dated 9 March 2018 between MAMG and PIL in relation to the SUTL SPA</td>
</tr>
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DEFINITIONS (Cont’d)

Transaction Documents: Collectively, the AMB SPA, SUTL SPA and Subscription Agreement

CURRENCIES

RM and sen: Ringgit Malaysia and sen
SGD: Singapore Dollar

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

Unless specifically referred to, 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/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to any act, law, ordinance, enactment or guideline in this Circular is a reference to that act, law, ordinance, enactment or guideline as amended or re-enacted from time to time.

Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

This Circular includes forward-looking statements. All statements other than statements of historical facts included in this Circular including, without limitation, those regarding our Group’s financial position, business strategies, prospects, plans and objectives of our Company for future operations, are forward-looking statements. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved.

[The rest of this page has been intentionally left blank]
## LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED SUBSCRIPTION CONTAINING:

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NOTICE OF EGM ENCLOSED

FORM OF PROXY ENCLOSED
To: Our shareholders

Dear Sir/Madam,

PROPOSED SUBSCRIPTION

1. INTRODUCTION

On 13 December 2017, our Board announced that MAMG had on even date entered into, among others, the Subscription Agreement.

On 7 March 2018, our Board announced that MAS had, via its letter dated 7 March 2018, approved, among others, the Proposed Subscription, subject to the conditions as set out in Section 8(ii) of this Circular.

On 23 March 2018, our Board announced that the SC had, via its letter dated 22 March 2018, approved, among others, the Proposed Subscription, subject to the conditions as set out in Section 8(i) of this Circular.

As the Proposed Subscription entails the issuance of MAMG Shares to PNB, a person connected to ASB, who is in turn a major shareholder of our Company, your approval is required for the Proposed Subscription pursuant to Paragraph 6.06 of the Listing Requirements.
THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION IN RELATION TO THE PROPOSED SUBSCRIPTION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SUBSCRIPTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SUBSCRIPTION TO BE TABLED AT THE FORTHCOMING EGM.

WE HAVE SET OUT INFORMATION ON THE PROPOSED ACQUISITIONS IN SECTION 3 OF THIS CIRCULAR FOR INFORMATION PURPOSES ONLY. THE PROPOSED ACQUISITIONS ARE NOT SUBJECT TO YOUR APPROVAL.

2. DETAILS OF THE PROPOSED SUBSCRIPTION

2.1 Background information on the Proposed Subscription

The Proposed Subscription entails the subscription by PNB of 8,336,404 new MAMG Shares, representing 20% of the enlarged number of MAMG Shares in issue on completion of the Proposed Subscription, for a cash consideration of RM50,000,000 or approximately RM5.998 per Subscription Share.

The Subscription Consideration is payable on completion of the Proposed Subscription.

The Proposed Subscription is subject to the terms and conditions of the Subscription Agreement.

2.2 Background information on MAMG

MAMG was incorporated in Malaysia under the Companies Act, 1965 on 9 September 1983 under the name of Aseam Leasing and Credit Berhad and is deemed registered under the Act. The company changed its name to Aseamlease Berhad on 17 September 1984 and assumed its present name on 30 January 2013.

The principal activity of MAMG is investment holding while its subsidiaries are principally engaged in fund management, Islamic fund management, private equity and venture capital management and investment advisory and administration services.

As at the LPD, the issued share capital of MAMG is RM212,300,029.70 comprising 33,345,613 MAMG Shares. MAMG is a wholly-owned subsidiary of our Company as at the LPD.

As at the LPD, the Directors of MAMG are as follows:

(i) Dr. Hasnita binti Dato’ Hashim;
(ii) Loh Lee Soon;
(iii) Dato’ Azian binti Mohd Noh;
(iv) Goh Ching Yin;
(v) Dato’ Muzaffar bin Hisham; and
(vi) Fad’l bin Mohamed (alternate to Dato’ Muzaffar bin Hisham).

Based on the latest audited financial statements of MAMG for the FYE 31 December 2017, MAMG registered a PAT of RM31,202,433 while its audited NA as at 31 December 2017 was RM182,030,765.
2.3 Background information on PNB

PNB was incorporated in Malaysia under the laws of Malaysia on 17 March 1978.

The principal activity of PNB is acquisition and holding of shares to promote greater ownership of share capital in the corporate sector in Malaysia by Bumiputeras.

As at the LPD, the issued share capital of PNB is RM100,000,000 comprising 100,000,000 PNB Shares. Yayasan Pelaburan Bumiputra holds 99,999,999 PNB Shares, while the Minister of Finance, Incorporated holds one (1) PNB Share.

2.4 Salient terms of the Subscription Agreement

2.4.1 Subscription Agreement-CPs

(i) MAMG is to fulfil the following Subscription Agreement-CPs:

(a) obtain the approval of our shareholders for the allotment and issuance of the Subscription Shares to PNB pursuant to the terms of the Subscription Agreement;

(b) PNB being satisfied that the MAMG Adjusted NTA as recorded in the MAMG Management Accounts, is no less than RM140,850,000; and

(c) the forms/documents lodged with the Companies Commission of Malaysia evidencing that the charges no. 001 and no. 002 of Maybank Private Equity Sdn. Bhd. in favour of our Company, have been fully satisfied;

(ii) PNB is to fulfil the following Subscription Agreement-CP:

(a) the issuance of a letter by PNB to MAMG in connection with PNB's post-completion obligation to waive part of its dividends in favour of our Company in connection with the MPE Investments; and

(iii) PNB and MAMG is to fulfil the following Subscription Agreement-CP:

(a) the Shareholders' Agreement being executed by PNB, MAMG and our Company.

2.4.2 Completion

The Subscription Agreement-CPs are to be satisfied or waived by the relevant party no later than six (6) months from the date of execution of the Subscription Agreement or such other date as MAMG and PNB may mutually agree in writing. Completion shall take place on the date which is five (5) business days after the Subscription Agreement becomes unconditional or such other business day that MAMG and PNB may agree in writing.

2.4.3 Specific indemnities

MAMG covenants with and undertakes to, among others, PNB (each an 'indemnified person') to defend, indemnify and hold harmless each indemnified person, from and against any and all losses incurred, suffered or sustained by them arising out of any of the following:
any liability or losses incurred by PNB of whatsoever nature arising from or in connection with any breach by MAMG or its subsidiaries of any warranty under the Subscription Agreement; and

(ii) any liability or losses incurred by PNB of whatsoever nature if the MAMG Adjusted NTA is less than RM140,850,000 on the date of which the MAMG Management Accounts is made up to.

2.5 Proposed salient terms of the Shareholders’ Agreement

2.5.1 Purpose

Upon completion of the Proposed Subscription, PNB, MAMG and our Company will enter into the Shareholders’ Agreement setting out the terms and conditions regulating the relationship between our Company and PNB as well as our rights and obligations as shareholders of MAMG.

2.5.2 Capital and shareholding structure

On the Effective Date, the Subscription Shares will be issued to PNB, resulting in the following shareholding:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>No. of MAMG Shares held</th>
<th>Percentage of shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our Company</td>
<td>33,345,613</td>
<td>80.0 (%)</td>
</tr>
<tr>
<td>PNB</td>
<td>8,336,404</td>
<td>20.0 (%)</td>
</tr>
<tr>
<td>Total</td>
<td>41,682,017</td>
<td>100.0 (%)</td>
</tr>
</tbody>
</table>

2.5.3 Board of directors

Unless otherwise agreed between the shareholders of MAMG, the number of directors appointed to the MAMG Board shall be five (5) directors. Each shareholder of MAMG shall be entitled to nominate and appoint directors to the MAMG Board as follows:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>No. of directors on the MAMG Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our Company</td>
<td>3</td>
</tr>
<tr>
<td>PNB</td>
<td>1</td>
</tr>
<tr>
<td>(provided that PNB and its permitted transferees collectively hold not less than 20% of the share capital of MAMG)</td>
<td></td>
</tr>
<tr>
<td>Our Company and PNB (Jointly)</td>
<td>1</td>
</tr>
<tr>
<td>(provided that PNB and its permitted transferees collectively hold not less than 20% of the share capital of MAMG)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
</tr>
</tbody>
</table>
2.5.4 Put option

On the 5th anniversary of the Effective Date, PNB shall be entitled to exercise its option to sell ("Put Option"), and our Company shall (if PNB exercises the Put Option) acquire, all (and not part only) of the MAMG Shares held by PNB, at the exercise price equivalent to the fair market value of the MAMG Shares as at the date of service of the notice referred to in (ii) below (to be determined by the relevant expert jointly appointed by PNB and our Company), provided, among others, that:

(i) PNB has duly obtained all relevant corporate approvals on its part to sell all MAMG Shares held by it to our Company, prior to serving the notice referred to in subparagraph (ii) below;

(ii) a written notice to our Company for such exercise of the Put Option by PNB must have been served on the date falling 6 months prior to the 5th anniversary of the Effective Date;

(iii) our Company has duly obtained the approval of its shareholders for our acquisition of all MAMG Shares held by PNB, if required under, among others, applicable laws or regulations; and

(iv) all relevant regulatory approvals for the acquisition and sale of all MAMG Shares held by PNB, from PNB to our Company, have been duly obtained.

2.6 Basis and justification for the Subscription Consideration

The issue price per Subscription Share of approximately RM5.998 was arrived at after taking into consideration the following:

(i) the number of new MAMG Shares to be issued as the Subscription Shares in order for PNB to hold 20% of the equity interest in MAMG after the Proposed Subscription; and

(ii) the Subscription Consideration which was arrived at on a willing-buyer willing-seller basis after taking into consideration, among others, the following:

(a) the MAMG Adjusted NTA to be recorded in the MAMG Management Accounts of no less than RM140,850,000;

(b) the range of implied PB multiples of the Precedent Transactions of between 0.5 times to 4.4 times, as set out in the table in the following page; and

(c) the price to AMB Adjusted NTA multiple of 2.0 times and the price to SUTL Adjusted NTA multiple of 1.0 time based on the purchase consideration for the Proposed AMB Acquisition and the Proposed SUTL Acquisition respectively.

The respective price to adjusted net tangible assets of MAMG, AMB and SUTL fall within the range of the implied PB multiples of the Precedent Transactions of between 0.5 times to 4.4 times. The price to MAMG Adjusted NTA multiple of 1.42 times is lower than the price to AMB Adjusted NTA multiple of 2.0 times due to MAMG's lower profitability vis-à-vis the size of its AUM as compared to AMB. The price to SUTL Adjusted NTA multiple is 1.0 time as SUTL's assets are primarily cash and cash equivalents, and it will be acquired with its cash balances being retained in the company.
The Precedent Transactions are as follows:

<table>
<thead>
<tr>
<th>Date of announcement</th>
<th>Target company</th>
<th>Acquirer</th>
<th>Equity interest acquired</th>
<th>Consideration</th>
<th>Implied equity value(^{(1)})</th>
<th>Late audit NA at the time of acquisition</th>
<th>Implied PB multiple(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 February 2016</td>
<td>ECM Libra Financial Group Berhad</td>
<td>Plato Capital Limited</td>
<td>25.9</td>
<td>27.5</td>
<td>106.0</td>
<td>137.3</td>
<td>0.8</td>
</tr>
<tr>
<td>14 August 2014</td>
<td>Affin Fund Management Berhad</td>
<td>Affin Hwang Asset Management Berhad</td>
<td>100.0</td>
<td>55.0</td>
<td>55.0</td>
<td>13.8</td>
<td>4.0</td>
</tr>
<tr>
<td>9 July 2013</td>
<td>OSK Holdings Berhad</td>
<td>Tan Sri Ong Huat and Puan Sri Khor Chai Moi</td>
<td>54.2</td>
<td>61.6</td>
<td>113.6</td>
<td>207.1</td>
<td>0.5</td>
</tr>
<tr>
<td>13 November 2013</td>
<td>MAAKL Mutual Berhad (&quot;MAAKL&quot;)</td>
<td>Manulife Holdings Berhad</td>
<td>100.0</td>
<td>77.2(^{(3)})</td>
<td>77.2</td>
<td>17.7</td>
<td>4.4</td>
</tr>
</tbody>
</table>

(Source: Capital IQ and announcements of the target companies or their holding companies)

Notes:

(1) Derived based on implied consideration for 100% equity interest.
(2) Calculated based on implied equity value over latest audited NA at the time of acquisition.
(3) The consideration of RM77.2 million consists of (i) RM71.2 million to be paid to the vendors upon completion of the share purchase agreement ("Completion"); and (ii) RM6.0 million to be paid on 31 March 2015, 31 March 2016 and 31 March 2017 (or such later date(s)) subject to MAAKL achieving the agreed targets. Such consideration has excluded RM19.3 million to be paid on the Completion to an escrow agent, which shall be released to the vendors in accordance with the basis set out in the share purchase agreement.
2.7 Ranking of the Subscription Shares

The Subscription Shares will, upon allotment and issuance, rank equally with the existing MAMG Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Subscription Shares.

2.8 Liabilities to be assumed

PNB will not assume any liabilities, including contingent liabilities and guarantees, pursuant to the Proposed Subscription.

2.9 Use of proceeds

The Subscription Consideration will be used to part settle the financing facility to be extended by our Group to MAMG for the Proposed Acquisitions. The Subscription Consideration is expected to be used within 6 months from the date of receipt of the said proceeds.

3. DETAILS OF THE PROPOSED ACQUISITIONS

3.1 Background information on the Proposed Acquisitions

The Proposed Acquisitions entail the acquisition by MAMG of:

(i) 5,000,000 AMB Shares, representing 100% equity interest in AMB, for a purchase consideration of RM16,120,000; and

(ii) 940,000 SULTL Shares, representing 100% equity interest in SULTL, for a purchase consideration of RM34,880,000.

The total purchase consideration of RM51,000,000 will be satisfied in cash on completion of the Proposed Acquisitions. MAMG shall be entitled to nominate its Nominees to hold the AMB Shares and SULTL Shares respectively pursuant to the Proposed Acquisitions.

MAMG will acquire the entire legal and beneficial ownership in the 5,000,000 AMB Shares and 940,000 SULTL Shares free from all encumbrances from ASNB and PIL respectively. ASNB and PIL are wholly-owned subsidiaries of PNB.

The Proposed AMB Acquisition is subject to the terms and conditions of the AMB SPA and the Proposed SULTL Acquisition is subject to the terms and conditions of the SULTL SPA.

3.2 Background information on AMB

AMB was incorporated under the laws of Malaysia on 22 March 1990 under the name of Maybank Management Sdn Bhd which was later changed to Mayban Unit Trust Berhad on 31 January 2003. The company assumed its present name on 12 April 2007.

The principal activity of AMB is that of managing unit trust funds.

As at the LPD, the issued share capital of AMB is RM5,000,000 comprising 5,000,000 AMB Shares. AMB is a wholly-owned subsidiary of ASNB which in turn is a wholly-owned subsidiary of PNB as at the LPD.
Based on the latest audited financial statements of AMB for the FYE 31 December 2016, AMB registered a PAT of RM1,647,619 and NA of RM44,024,955.

3.3 Background information on SUTL

SUTL was incorporated in Singapore under the Singapore Companies Ordinance on 17 August 1959 under the name of Malayan Unit Trust Limited. The company assumed its present name on 6 May 1960.

The principal activity of SUTL is the provision of fund management services.

As at the LPD, the issued share capital of SUTL is SGD9,400,000 comprising 940,000 SUTL Shares. SUTL is a wholly-owned subsidiary of PIL which in turn is a wholly-owned subsidiary of PNB as at the LPD.

Based on the latest audited financial statements of SUTL for the FYE 31 December 2016, SUTL registered a PAT of SGD786,854 and NA of SGD12,010,631.

3.4 Salient terms of the AMB SPA

3.4.1 AMB SPA-CPs

(i) ASNB is to fulfil the following AMB SPA-CPs:

(a) obtain the written consent of the relevant counterparties to the agreements entered into by AMB for the change in shareholding/shareholder(s) of AMB arising from the transactions contemplated under the AMB SPA;

(b) MAMG being satisfied that the AMB Adjusted NTA as recorded in the AMB Management Accounts, is no less than the amount equivalent to RM8,060,000;

(c) a termination letter being executed by PNB and AMB to terminate the investment management agreement dated 24 October 2007 between PNB and AMB; and

(d) a letter being issued by PNB pursuant to the tenancy agreement dated 28 April 2016 between PNB and AMB, whereby PNB agrees to waive the liability and/or requirement imposed on AMB to pay PNB a sum equal to the rent for the whole of the unexpired period of the term under the tenancy in the event that AMB vacates the relevant demised premises before the expiry of the term of the tenancy under the agreement;

(ii) MAMG is to fulfil the following AMB SPA-CP:

(a) obtain the written approval of BNM for the Proposed Acquisitions; and
MAMG and ASNB are to jointly fulfil the following AMB SPA-CPs:

(a) obtain the written approval of MAS, pursuant to the Securities and Futures Act (Cap. 289, Singapore) and any relevant licence condition attached to the capital markets services licences issued to SUTL or the relevant Nominee, for the transactions contemplated by the Transaction Documents. The approval of MAS was obtained on 7 March 2018, subject to the conditions set out in Section 8(ii) of this Circular;

(b) obtain the written approval of the SC pursuant to the CMSA, the Licensing Handbook and Guidelines on Unit Trust Fund issued by the SC and any relevant licence condition attached to the capital markets services licences issued to AMB or the relevant Nominee, for the transactions contemplated by the Transaction Documents. The approval of the SC was obtained on 22 March 2018, subject to the conditions set out in Section 8(i) of this Circular;

(c) the SUTL SPA becoming unconditional, save in respect of the condition for the AMB SPA to become unconditional; and

(d) merger filings and the approval from the competition commissions (if required) in the relevant jurisdictions.

3.4.2 Completion

The AMB SPA-CPs are to be satisfied or waived by the relevant party no later than 90 days from the date of execution of the AMB SPA ("AMB Cut-off Date") or such other date as MAMG and ASNB may mutually agree in writing. Completion shall take place on the date which is five (5) business days after the AMB SPA becomes unconditional or such other business day that MAMG and ASNB may agree in writing.

MAMG and ASNB had subsequently agreed to extend the AMB Cut-off Date for 90 days via the AMB Supplemental Letter.

3.4.3 Specific indemnities

ASNB covenants with and undertakes to, among others, MAMG and the relevant Nominee, as the case may be (each an ‘indemnified person’) to defend, indemnify and hold harmless each indemnified person, from and against any and all losses incurred, suffered or sustained by them arising out of any of the following:

(i) any liability or losses incurred by MAMG, the Nominee and/or AMB of whatsoever nature arising from or in connection with any complaints, claims or such other proceedings brought by any employees of AMB (whom will receive notices of transfer from PNB and/or its related corporation, pursuant to which such employees will cease employment with AMB from completion of the AMB SPA) against MAMG, the Nominee and/or AMB;

(ii) any liability or losses incurred by MAMG, the Nominee and/or AMB of whatsoever nature arising from or in connection with any breach by ASNB of any warranty under the AMB SPA; and
(iii) any liability or losses incurred by MAMG of whatsoever nature if the AMB Adjusted NTA is less than the amount equivalent to RM8,060,000 on the date of which the AMB Management Accounts is made up to.

3.5 Salient terms of the SUTL SPA

3.5.1 SUTL SPA-CPs

(i) PIL is to fulfil the following SUTL SPA-CPs:

(a) MAMG being satisfied that the SUTL Adjusted NTA as recorded in the SUTL Management Accounts, is no less than the SGD equivalent of RM34,880,000, based on the RM:SGD middle rate published by BNM at 5.00 p.m. on the date of which the SUTL Management Accounts is made up to;

(ii) MAMG is to fulfil the following SUTL SPA-CP:

(a) obtain the written approval of BNM for the Proposed Acquisitions; and

(iii) MAMG and PIL are to jointly fulfil the following SUTL SPA-CPs:

(a) obtain the written approval of MAS, pursuant to the Securities and Futures Act (Cap. 289, Singapore) and any relevant licence condition attached to the capital markets services licences issued to SUTL or the relevant Nominee, for the transactions contemplated by the Transaction Documents. The approval of MAS was obtained on 7 March 2018, subject to the conditions set out in Section 8(ii) of this Circular;

(b) obtain the written approval of SC pursuant to the CMSA, the Licensing Handbook and Guidelines on Unit Trust Fund issued by the SC and any relevant licence condition attached to the capital markets services licences issued to AMB or the relevant Nominee, for the transactions contemplated by the Transaction Documents. The approval of the SC was obtained on 22 March 2018, subject to the conditions set out in Section 8(i) of this Circular;

(c) the AMB SPA becoming unconditional, save in respect of the condition for the SUTL SPA to become unconditional; and

(d) merger filings and the approval from the competition commissions (if required) in the relevant jurisdictions.

3.5.2 Completion

The SUTL SPA-CPs are to be satisfied or waived by the relevant party no later than 90 days from the date of execution of the SUTL SPA (“SUTL Cut-off Date”) or such other date as MAMG and PIL may mutually agree in writing. Completion shall take place on the date which is five (5) business days after the SUTL SPA becomes unconditional or such other business day that MAMG and PIL may agree in writing.

MAMG and PIL had subsequently agreed to extend the SUTL Cut-off Date for 90 days via the SUTL Supplemental Letter.
Specific indemnities

PIL covenants with and undertakes to, among others, MAMG and the relevant Nominee, as the case may be (each an ‘indemnified person’) to defend, indemnify and hold harmless each indemnified person, from and against any and all losses incurred, suffered or sustained by them arising out of any of the following:

(i) any liability or losses incurred by MAMG, the Nominee and/or SUTL of whatsoever nature arising from or in connection with any breach by PIL of any warranty under the SUTL SPA;

(ii) any liability or losses incurred by MAMG of whatsoever nature if the SUTL Adjusted NTA is less than the SGD equivalent of RM34,880,000, based on the RM:SGD middle rate published by BNM at 5.00 p.m. on the date of which the SUTL Management Accounts is made up to; and

(iii) any liability or losses or penalties incurred by MAMG, the Nominee and/or SUTL of whatsoever nature arising from the (a) failure by SUTL, or (b) failure by SUTL to procure the conduct of the relevant licensed distributors, or (c) failure by the relevant licensed distributors (excluding Malayan Banking Berhad (Singapore)), to conduct anti-money laundering/counter-terrorism financing checks on the investors of the funds managed by SUTL or any other customers of SUTL, in accordance with the requirements set out in the MAS Notice SFA04-02 and the Guidelines to the MAS Notice SFA04-02 on Prevention of Money Laundering and Countering the Financing of Terrorism.

Source of funding

The purchase consideration for the Proposed Acquisitions will be funded through a financing facility to be extended by our Group to MAMG.

Rationale and benefits of the Proposed Acquisitions

The Proposed Acquisitions will complement the existing business of the MAMG Group as it will facilitate the MAMG Group’s presence in the retail market of the asset management business in Malaysia and Singapore. It will also result in the creation of a larger entity with deeper investment expertise, allowing the MAMG Group to tap into new growth areas with access to the retail market in Malaysia. The MAMG Group will also be able to expand its presence in the retail and institutional markets in Singapore. Such access and expansion of its presence in the market is expected to increase its AUM and consequently, management fee income.

Through the unit trust funds currently managed under AMB and SUTL, the Proposed Acquisitions will also increase the number of products which the MAMG Group can offer. An increase in the number of products offered to investors will allow the MAMG Group to increase its unit holder base, targeting a wider variety of retail and institutional investors with different investment needs and offering more choices of asset allocation with the aim to grow its market share as an asset management player.

The Proposed Acquisitions are also expected to give rise to the following synergies:

(i) cost and operational synergies via the reduction of the overall operating costs of the enlarged MAMG Group by combining back office operations and streamlining the distribution channels of the funds, while benefiting from increased economies of scale through enlarged operations; and
(ii) revenue synergies as the enlarged MAMG Group is able to grow its retail business by leveraging on our Group’s wide distribution channel. Such synergies, if realised, can contribute positively to the future earnings and consequently, the profit to AUM ratio of the enlarged MAMG Group.

4. OVERVIEW, PROSPECTS AND FUTURE PLANS OF THE ENLARGED MAMG GROUP

4.1 Outlook on the asset management industry in Malaysia

In 2016, Malaysia recorded 4.2% GDP (down from 5.0% in 2015) amid global challenges arising from uncertainty over economic, monetary and policy actions. Private sector expenditure remained the key driver of growth in domestic demand.

Against this backdrop, the NAV for unit trust funds (including wholesale funds) increased 4.2% to RM449.31 billion as at end of December 2016, representing 40.6% of GDP. Private unit trust funds (excluding federal and state funds) saw NAV increase by 7.6% over the year and stood at RM203.8 billion as at the end of December 2016. Overall, equity funds and money market funds (including Islamic funds) made up the biggest portions of NAV at 39.8% and 34.7% of GDP respectively.

In 2016, Islamic funds (inclusive of all types of assets) continued to grow significantly. The year also recorded the tenth consecutive year of firm growth in Islamic funds with total NAV stood at RM79.1 billion as at end of 2016, a remarkable increase of 13.7% as compared to 2015.

Conventional equity funds recorded NAV of RM40.5 billion as at end of 2016, slightly declined by RM0.2 billion as compared to 2015. Conventional bond funds increased by RM2.1 billion to RM20.7 billion in 2016 followed by conventional money market funds which increased marginally by RM1.1 billion to RM42.4 billion in 2016. This was largely attributed to investors shifting funds to safer assets in their efforts in seeking more stable return amid global political and financial uncertainties.

(Source: Annual Report 2016, Federation of Investment Managers Malaysia)

4.2 Outlook on the asset management industry in Singapore

Singapore continues to be a vibrant and leading international fund management centre. At the end of 2016, total assets managed by Singapore-based asset managers grew by 7% year-on-year to reach SGD2.7 trillion, up from SGD2.6 trillion in 2015. Over the last five years, the industry's AUM expanded at a 15% compound annual growth rate.

The Singapore asset management industry continued to maintain a high level of discretionary AUM, which increased from 52% to 53% of AUM in 2016. This reflected the industry's depth of expertise in higher value-added activities such as portfolio management.

In 2016, 78% of total AUM was sourced from outside Singapore, compared to 80% in 2015. Of the total AUM, 55% was sourced from the Asia-Pacific, 19% from North America and 17% from Europe, demonstrating Singapore’s role in serving regional and international investors.

Singapore also serves as the regional hub for a growing pool of institutional investors to access global markets and private market opportunities in Asia. These include Investment Company of People’s Republic of China, Korea National Pension Service, La Caisse de dépôt et placement du Québec, Norges Bank Investment Management and the Swiss National Bank which maintain investment offices in Singapore. Total AUM amounted to SGD172 billion, or 6% of total AUM.
There is also a growing trend of life insurance companies setting up asset management companies. Leading regional insurers have made Singapore the headquarters of their asset management arms. Supported by a substantial and growing base of long-term life assets, these asset management companies are able to invest in longer-term strategies like private equity, real estate and infrastructure, and can build scale to manage third-party monies.

(Source: 2016 Singapore Asset Management Survey, MAS)

4.3 Prospects and future plans of the enlarged MAMG Group

Based on a report produced by Cerulli Associates, “Asset Management in Southeast Asia 2016 – Opportunities Emerge as Region Opens Up” (“Report”), the projected retail AUM growth in Southeast Asia presents a significant opportunity for asset managers to grow the AUM of funds. Total Southeast Asian AUM is projected to grow by 12.3% during the next 5 years to USD516.6 billion by 2020. This will be led by Indonesia, projected to grow by 15.5%, followed by Malaysia 11.7% and Singapore 7.2%.

Our Board believes that the entry of PNB as a minority shareholder coupled with the Proposed Acquisitions will complement the existing business of the MAMG Group and re-establish its positioning in the mass retail market. Planned growth in the retail market augurs well for the MAMG Group as according to the Report, 65% of the AUM managed by asset managers are focused on the mass retail segment. It is further supported by a growing middle class that would correspond with increased demand for investment products. In addition, the re-positioning will also capitalise on the MAMG Group’s in-house fund management capabilities. The Proposed Acquisitions will also provide an opportunity for the MAMG Group to expand its distribution network.

The enlarged MAMG Group will represent a more balanced AUM client segmentation, with a larger proportion in higher yielding retail funds. It will also have a range of regional and domestic funds offering to the retail, corporate and institutional clients. It will continue to build on its historical performance and grow the business.

5. RATIONALE FOR THE PROPOSED SUBSCRIPTION

The Proposed Subscription will allow the MAMG Group to tap on the expertise of PNB in investment allocation and strategy for retail funds as well as the development of attractive unit trust products for retail investors. With PNB’s participation on the MAMG Board, MAMG will be able to leverage on PNB’s experience in managing retail funds within and outside Malaysia as well as the development of retail products in developing the overall business plan and investment strategies of the enlarged MAMG Group after the completion of the Proposed Acquisitions.

The issuance of the Subscription Shares will minimise the net cash outflow for MAMG to repay the financing facility to be extended by our Group to MAMG to fund the Proposed Acquisitions. Further, it will enable MAMG to strengthen its capital base and improve its gearing.

6. EFFECTS OF THE PROPOSED SUBSCRIPTION

6.1 Share capital and substantial shareholders’ shareholding

The Proposed Subscription will not have any effect on the share capital of our Company and the shareholding of our substantial shareholders in our Company as the Proposed Subscription does not involve any issuance of new Maybank Shares.
6.2 NA per Maybank Share and gearing

The Proposed Subscription will not have any material effect on the NA, NA per Maybank Share and gearing of our Group.

6.3 Earnings and EPS

The gain or loss arising from the dilution of our Company’s shareholding resulting from the Proposed Subscription will depend on the NA of the MAMG Group at the time of completion of the Proposed Subscription, excluding the book value of the MPE Investments. It has been mutually agreed among our Company, MAMG and PNB that the future economic benefits of and from the MPE Investments will not accrue to PNB upon completion of the Proposed Subscription and as such, will be excluded from PNB’s interests in MAMG.

For illustrative purposes only, based on the MAMG Adjusted NTA to be recorded in the MAMG Management Accounts of no less than RM140.8 million, the Proposed Subscription is expected to give rise to a pre-tax gain arising from dilution of interest in the MAMG Group of RM7.5 million as illustrated below:

<table>
<thead>
<tr>
<th>RM’ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAMG Adjusted NTA</td>
</tr>
<tr>
<td>Add:</td>
</tr>
<tr>
<td>- Goodwill</td>
</tr>
<tr>
<td>- Subscription Consideration</td>
</tr>
<tr>
<td>Estimated NA of the MAMG Group excluding the MPE Investments (“Completion NA”)</td>
</tr>
<tr>
<td>Subscription Consideration</td>
</tr>
<tr>
<td>Less: 20% of the Completion NA</td>
</tr>
<tr>
<td>Pre-tax gain arising from dilution of interest in the MAMG Group</td>
</tr>
</tbody>
</table>

In addition, the proforma effects of the Proposed Subscription on the earnings and EPS of our Group on the assumption that the Proposed Subscription was effected on 1 January 2017, being the beginning of FYE 31 December 2017, are as follows:

<table>
<thead>
<tr>
<th>PATAMI (RM million)</th>
<th>(1) EPS sen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audited consolidated PATAMI for the FYE 31 December 2017</td>
<td>7,520.5</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
</tr>
<tr>
<td>Gain arising from dilution of interest in the MAMG Group</td>
<td>(2) 5.7</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>- Proportionate PAT of the MAMG Group(3)</td>
<td>5.0</td>
</tr>
<tr>
<td>- Estimated expenses relating to the Proposed Subscription(4)</td>
<td>1.2</td>
</tr>
<tr>
<td>Proforma consolidated PATAMI after the Proposed Subscription</td>
<td>7,520.0</td>
</tr>
</tbody>
</table>

Notes:

(1) Based on the weighted average number of Maybank Shares in issue for the FYE 31 December 2017.
(2) In arriving at the estimated gain arising from the Proposed Subscription, the statutory corporate tax rate of 24% was applied.
(3) Computed based on 20% multiplied with the PAT of the MAMG Group for the FYE 31 December 2017 of RM25.2 million.
(4) The expenses relating to the Proposed Subscription are estimated to be approximately RM1.2 million, comprising professional fees, fees payable to relevant authorities, printing and despatch costs and other incidental expenses relating to the Proposed Subscription.
6.4 Convertible securities

As at the LPD, save for the outstanding options pursuant to our Company's employee share option scheme, our Company does not have any other convertible securities in issue. The Proposed Subscription will not give rise to any adjustment to the price and number of outstanding options pursuant to the by-laws governing the said scheme.

7. HISTORICAL SHARE PRICE

The monthly high and low closing market prices of Maybank Shares as traded on Bursa Securities for the past twelve (12) months are as follows:

<table>
<thead>
<tr>
<th></th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(RM)</td>
<td>(RM)</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>9.00</td>
<td>8.62</td>
</tr>
<tr>
<td>April</td>
<td>9.58</td>
<td>8.94</td>
</tr>
<tr>
<td>May</td>
<td>9.60</td>
<td>9.20</td>
</tr>
<tr>
<td>June</td>
<td>9.64</td>
<td>9.42</td>
</tr>
<tr>
<td>July</td>
<td>9.66</td>
<td>9.54</td>
</tr>
<tr>
<td>August</td>
<td>9.82</td>
<td>9.46</td>
</tr>
<tr>
<td>September</td>
<td>9.85</td>
<td>9.42</td>
</tr>
<tr>
<td>October</td>
<td>9.56</td>
<td>9.23</td>
</tr>
<tr>
<td>November</td>
<td>9.34</td>
<td>9.15</td>
</tr>
<tr>
<td>December</td>
<td>9.80</td>
<td>9.25</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>10.20</td>
<td>9.66</td>
</tr>
<tr>
<td>February</td>
<td>10.46</td>
<td>10.00</td>
</tr>
</tbody>
</table>

Last traded price of Maybank Shares on 12 December 2017, being the last full trading day prior to the announcement of the Proposed Subscription RM9.25

Last traded price of Maybank Shares as at the LPD RM10.48

(Source: Bloomberg)

8. APPROVALS REQUIRED

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

(i) the SC, where its approval for the application in relation to the Proposed Subscription and Proposed AMB Acquisition was obtained on 22 March 2018, subject to the following conditions:

<table>
<thead>
<tr>
<th>No.</th>
<th>Condition</th>
<th>Status of compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>Maybank Asset Management Sdn Bhd (&quot;MAMS&quot;), a wholly-owned subsidiary of MAMG nominated to hold the AMB Shares pursuant to the terms of the AMB SPA, to fulfil the representations made in the application to the SC</td>
<td>To be complied</td>
</tr>
</tbody>
</table>
(b) MAMS is required to notify the SC on the alternative strategy for AMB
To be complied

(c) MAMS to ensure the merger and integration of operations are managed effectively with no disruption to the functioning of the organisations
Noted

(d) the Proposed Subscription and Proposed Acquisitions should not adversely affect the financial soundness of the licensed entities
Noted

(e) any potential risks are addressed and managed on an on-going basis
Noted

(ii) MAS, where its approval for the application in relation to the Proposed Subscription and Proposed SUTL Acquisition was obtained on 7 March 2018, subject to the following condition:

<table>
<thead>
<tr>
<th>No.</th>
<th>Condition</th>
<th>Status of compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>MAS is informed promptly when the Proposed SUTL Acquisition and Proposed Subscription are effected</td>
<td>To be complied</td>
</tr>
</tbody>
</table>

(iii) our shareholders at the forthcoming EGM; and

(iv) any other relevant authorities and/or parties, where required.

The Proposed Subscription is not conditional upon any other corporate exercise/scheme of our Company.

9. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, there are no other corporate exercise/scheme which have been announced by our Company but have yet to be completed as at the LPD:

(i) the Proposed Subscription;

(ii) the Proposed Acquisitions;

(iii) on 26 January 2017, on behalf of our Board, Maybank IB announced that our Company proposes to establish and implement an employees’ share grant plan (“Plan”) of up to seven point five percent (7.5%) of the total number of issued shares of our Company (excluding treasury shares) at any point in time for the vesting of Maybank Shares to the eligible employees in accordance with the by-laws governing the Plan; and

(iv) on 5 March 2018, our Board announced that our Company proposes to seek our shareholders' approval for the proposed amendments to the existing constitution of our Company at the forthcoming 58th Annual General Meeting of our Company which will be held on the same date as the EGM.
10. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors and/or major shareholders of our Company as well as persons connected with them have any interest, direct or indirect, in the Proposed Subscription:

(i) ASB is a major shareholder of our Company. PNB is a person connected to ASB by virtue of PNB being the investment manager of ASB. Further, ASB is being managed by ASNB, a wholly-owned subsidiary of PNB; and

(ii) Datuk Mohaiyani binti Shamsudin, a Non-Independent Non-Executive Director and the Chairman of Maybank and Cheng Kee Check, a Non-Independent Non-Executive Director of Maybank, are nominated to our Board by PNB (collectively, “Nominee Directors of PNB”).

The Nominee Directors of PNB have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings of our Company in relation to the Proposed Subscription.

ASB, PNB and the Nominee Directors of PNB will abstain from voting in respect of their direct and/or indirect shareholding, if any, in our Company on the resolution pertaining to the Proposed Subscription to be tabled at the forthcoming EGM. ASB and the Nominee Directors of PNB have also undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings, if any, in our Company on the resolution pertaining to the Proposed Subscription to be tabled at the forthcoming EGM.

As at the LPD, the direct and indirect shareholdings of ASB, PNB and the Nominee Directors of PNB in our Company are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Direct No. of Maybank Shares</th>
<th>%</th>
<th>Indirect No. of Maybank Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASB</td>
<td>3,828,809,947</td>
<td>35.23%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PNB</td>
<td>752,479,650</td>
<td>6.92%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Datuk Mohaiyani binti Shamsudin</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cheng Kee Check</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

11. DIRECTORS’ RECOMMENDATION

Having considered all aspects of the Proposed Subscription (including but not limited to the rationale for the Proposed Subscription, basis and justification for the Subscription Consideration, salient terms of the Subscription Agreement as well as the effects of the Proposed Subscription) and after careful deliberation, our Board (save for the Nominee Directors of PNB) is of the opinion that the Proposed Subscription is in the best interest of our Company.

Accordingly, our Board (save for the Nominee Directors of PNB) recommends that you vote in favour of the resolution pertaining to the Proposed Subscription to be tabled at the forthcoming EGM.
12. **TENTATIVE TIMETABLE**

The tentative timetable in respect of the implementation of the Proposed Subscription is as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Tentative timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGM</td>
<td>12 April 2018</td>
</tr>
<tr>
<td>Fulfilment of all the Subscription Agreement-CPs</td>
<td>End April 2018</td>
</tr>
<tr>
<td>Completion of the Proposed Subscription</td>
<td>End April 2018</td>
</tr>
</tbody>
</table>

13. **EGM**

Our EGM will be held at MySpace2@Ballroom, Level 3, The Malaysia International Trade and Exhibition Centre (MITEC), Kompleks MITEC, No. 8, Jalan Dutamas 2, 50480 Kuala Lumpur, Malaysia on Thursday, 12 April 2018 at 12.00 noon or immediately following the conclusion or adjournment (as the case may be) of the 58th Annual General Meeting of our Company scheduled to be held at the same venue and on the same date at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing the resolution pertaining to the Proposed Subscription. You are advised to refer to the Notice of EGM and Form of Proxy which are enclosed in this Circular.

If you are unable to attend the EGM, you may appoint a proxy or proxies to attend and vote on your behalf at the EGM. If you wish to do so, you must deposit the Form of Proxy at the office of our appointed share registrar for the forthcoming EGM, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 11 April 2018 at 12.00 noon. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the forthcoming EGM should you subsequently wish to do so.

14. **FURTHER INFORMATION**

You are advised to refer to the attached appendix for further information.

Yours faithfully,
For and on behalf of the Board of
MALAYAN BANKING BERHAD

DATUK ABDUL FARID BIN ALIAS
Non-Independent Executive Director/Group President and Chief Executive Officer
APPENDIX

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

All information relating to AMB, SUTL and PNB as contained in this Circular have been confirmed by the respective parties. The sole responsibility of our Board is limited to ensuring that such information and statements have been accurately reproduced in this Circular.

2. CONSENT AND CONFLICT OF INTEREST

Maybank IB has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

Maybank IB is our wholly-owned subsidiary. As such, Maybank and Maybank IB are related corporations and Maybank IB is deemed conflicted. Notwithstanding the aforementioned, Maybank IB is a licensed investment bank and its appointment as Principal Adviser for the Proposed Subscription is in the ordinary course of its business i.e. the provision of corporate advisory services with respect to the regulatory framework. The conduct of Maybank IB is regulated strictly by the Financial Services Act 2013, the Islamic Financial Services Act 2013, the CMSA and by its own internal controls and checks.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

Save as disclosed below, as at 31 December 2017, there are no other material commitments for capital expenditure, incurred or known to be incurred by our Group, which may have a material impact on the profits and/or NA of our Group:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (RM'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved and contracted for</td>
<td>251,995</td>
</tr>
<tr>
<td>Approved but not contracted for</td>
<td>242,103</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>494,098</strong></td>
</tr>
</tbody>
</table>

3.2 Contingent liabilities

As at the LPD, there are no contingent liabilities which, upon becoming enforceable, may have a material impact on the profits and/or NA of our Group.

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and there are no proceedings, pending or threatened, against our Group, or of any fact likely to give rise to any proceedings which may materially affect the financial position or business of our Group.
5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 14th Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

(i) the constitution of our Company;

(ii) the audited consolidated financial statements of our Company for the past two (2) FYEs 31 December 2016 and 31 December 2017;

(iii) Subscription Agreement; and

(iv) the letter of consent referred to in Section 2 of this Appendix.
NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("EGM") of Malayan Banking Berhad ("Maybank" or "Company") will be held at MySpace2@Ballroom, Level 3, The Malaysia International Trade and Exhibition Centre (MITEC), Kompleks MITEC, No. 8, Jalan Dutamas 2, 50480 Kuala Lumpur, Malaysia on Thursday, 12 April 2018 at 12.00 noon or immediately following the conclusion or adjournment (as the case may be) of the 58th Annual General Meeting of the Company scheduled to be held at the same venue and on the same date at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing the following ordinary resolution:

ORDINARY RESOLUTION

PROPOSED SUBSCRIPTION BY PERMODALAN NASIONAL BERHAD ("PNB") OF 8,336,404 NEW ORDINARY SHARES IN MAYBANK ASSET MANAGEMENT GROUP BERHAD ("MAMG") ("MAMG SHARES"), A WHOLLY-OWNED SUBSIDIARY OF MALAYAN BANKING BERHAD ("COMPANY"), REPRESENTING 20% OF THE ENLARGED NUMBER OF MAMG SHARES IN ISSUE, FOR A CASH CONSIDERATION OF RM50,000,000 ("PROPOSED SUBSCRIPTION")

THAT subject to and conditional upon the relevant approvals of all relevant authorities being obtained, the Proposed Subscription, based on the terms of the conditional share subscription agreement dated 13 December 2017 between MAMG and PNB (a person connected to Amanah Saham Bumiputera, who is in turn a major shareholder of the Company, as well as to the following directors whom are nominated by PNB to the Board of Directors of the Company: (i) Datuk Mohaiyani binti Shamsudin, a Non-Independent Non-Executive Director and Chairman of the Company; and (ii) Cheng Kee Check, a Non-Independent Non-Executive Director of the Company ("Interested Directors")), be and is hereby approved;

THAT the Board of Directors of the Company (with the exception of the Interested Directors) be and is hereby empowered and authorised:

(a) to do all acts, deeds, and such things, to take all necessary steps, and to execute, enter into, sign and deliver on behalf of the Company all such documents, as it may deem necessary, expedient and/or appropriate, to implement, give full effect to and complete the Proposed Subscription; and

(b) to empower and authorise MAMG to allot and issue 8,336,404 new MAMG Shares ("Subscription Shares") to PNB and to do all acts, deeds, and such things, to take all necessary steps, and to execute, enter into, sign and deliver all such documents, as it may deem necessary, expedient and/or appropriate, to implement, give full effect to and complete the Proposed Subscription,

with full powers to adopt, assent to and/or accept any conditions, modifications, variations, arrangements and/or amendments in any manner as may be required or imposed by any relevant authorities and/or parties in connection with the Proposed Subscription or as the Board of Directors of the Company (with the exception of the Interested Directors) may in its absolute discretion deem necessary, expedient and/or appropriate in the best interest of the Company;

THAT the use of proceeds to be derived from the Proposed Subscription in the manner set out in Section 2.9 of the circular to the shareholders of the Company dated 29 March 2018, be and is hereby approved, and the Board of Directors of the Company (with the exception of the Interested Directors) be and is hereby empowered and authorised with full powers to vary the manner and/or purpose of use of the proceeds in such manner as it shall in its absolute discretion deem necessary, expedient and/or appropriate in the best interest of the Company, subject to the approval of the relevant authorities, where required;

THAT the Subscription Shares shall, upon allotment and issuance, rank equally with the existing MAMG Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Subscription Shares;
AND THAT all previous acts made and/or done by the Board of Directors (with the exception of the Interested Directors) of the Company in connection with the Proposed Subscription be and are hereby confirmed and ratified.

BY ORDER OF THE BOARD

WAN MARZIMIN BIN WAN MUHAMMAD (LS0009924)
FARIZ BIN ABDUL AZIZ (LS0007997)
Company Secretaries

28 March 2018

Notes:

1. A member entitled to attend, speak and vote at the EGM is entitled to appoint proxy(ies) to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.

2. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“Authorised Nominee”) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(ii) Notwithstanding the above, for an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.

3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.

5. The duly completed instrument appointing a proxy must be deposited at the office of the appointed share registrar for the EGM, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 11 April 2018 at 12.00 noon.

6. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.

7. For the purpose of determining a member who shall be entitled to attend the EGM in accordance with Article 55(1) of the Company’s Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 30 March 2018. Only a member whose name appears on the Record of Depositors as at 30 March 2018 shall be eligible to attend the EGM or appoint proxy(ies) to attend and vote on his/her behalf.
Form of Proxy
For the Extraordinary General Meeting

MALAYAN BANKING BERHAD
(Company No. 3813-K)
(Incorporated under the laws of Malaysia)

Number of shares held
CDS Account No. of the Authorised Nominee*

Please refer to the notes below before completing this Form of Proxy.

I/We_________________________________________ NRIC/Passport/Co. No.____________________ (full name in block letters)
of_________________________________________ Telephone No.______________________________

a shareholder/shareholders of MALAYAN BANKING BERHAD, hereby appoint_______________________________________________________________ (full name in block letters)

_________________________________________________________ NRIC/Passport/Co. No.____________________
of____________________________________________________________________________________

(full address)
or failing him/her_________________________________________________________ NRIC/Passport/Co. No.____________________
of____________________________________________________________________________________

(full address)
or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of Malayan Banking Berhad ("Company") to be held at MySpace2@Ballroom, Level 3, The Malaysia International Trade and Exhibition Centre (MITEC), Kompleks MITEC, No. 8, Jalan Dutamas 2, 50480 Kuala Lumpur, Malaysia on Thursday, 12 April 2018 at 12.00 noon. or immediately following the conclusion or adjournment (as the case may be) of the 58th Annual General Meeting of the Company scheduled to be held at the same venue and on the same date at 10.00 a.m., whichever is later, and any adjournment thereof.

<table>
<thead>
<tr>
<th>No.</th>
<th>Resolution</th>
<th>For</th>
<th>Against</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Proposed Subscription</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

My/Our proxy is to vote on the resolution as indicated by an "X" in the appropriate space above. If no indication is given, my/our proxy shall vote or abstain as he/she thinks fit.

Dated this ______day of ____________ 2018

Signature(s) / Common Seal of Member(s) Number of shares held

<table>
<thead>
<tr>
<th>No.</th>
<th>Resolution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For appointment of two proxies, percentage of shareholdings to be represented by the proxies:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No. of shares</td>
<td></td>
</tr>
<tr>
<td>Proxy 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proxy 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Notes:
1. A member entitled to attend, speak and vote at the EGM is entitled to appoint proxy(ies) to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
2. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Authorised Nominee") may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
   (ii) Notwithstanding the above, for an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointee or his attorney duly authorised in writing, or if the appointee is a corporation, under its common seal or in some other manner approved by its directors.
5. The duly completed instrument appointing a proxy must be deposited at the office of the appointed share registrar for the EGM, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kenchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kenchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 11 April 2018 at 12.00 noon.
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* Applicable to shares held through a nominee account.
Share Registrar for Maybank’s EGM
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Malaysia