

FORWARD  Your Business

Notice Convening Extraordinary General Meeting of Shareholders No. 1/2017

Friday, 24 February 2017
at 2.00 p.m.

9th Floor, the Auditorium Room
CIMB Thai Bank Public Company Limited
44 Langsuan Road, Lumpini, Patumwan,
Bangkok 10330.

Gift distribution is cancelled this year in respect of the regulators' campaign for the reduction and abolishment of gifts given away at the shareholders' meeting. The Bank will, however, still provide a set of drink and snack to shareholders or their attending proxies. (one snack box is limited per one person).

Company Secretary Unit
Office of the President
Contact Number: +66 2638 8274 and +66 2638 8287
E-mail: cs@cimbthai.com

Ref. CIMBT. OFP 027 /2017

Notice Convening Extraordinary General Meeting of Shareholders No. 1/2017
CIMB Thai Bank Public Company Limited

1 February 2017

Subject: Invitation to the Extraordinary General Meeting of Shareholders No. 1/2017

To: Shareholders

- Enclosures:**
1. Draft minutes of the Annual General Meeting of Shareholders No. 22
 2. Capital Increase Report Form (F53-4)
 3. Proxy Form B
 4. Names and Profiles of independent directors proposed to be a proxy
 5. Definition of independent director
 6. Guidelines on registration, voting, proxy appointment and identification documents required for attending the extraordinary general meeting of shareholders
 7. Procedures for attending the Extraordinary General Meeting of Shareholders No. 1/2017
 8. Articles of Association relating to the shareholders' meeting
 9. Map of the meeting venue

The Board of Directors of CIMB Thai Bank Public Company Limited ("CIMB Thai" or the "Bank") resolved to convene the Extraordinary General Meeting of Shareholders No. 1/2017 ("EGM") on Friday, 24 February 2017, at 2.00 p.m. at the Auditorium Room, 9th Floor, CIMB Thai Bank Public Company Limited, 44 Langsuan Road, Lumpini, Patumwan, Bangkok, to consider the following agenda items together with the Board of Directors' opinions:

Agenda item 1 To certify the minutes of the Annual General Meeting of Shareholders No. 22, held on 19 April 2016

Objective and reason: The Annual General Meeting of Shareholders No. 22 was held on 19 April 2016, a copy of the minutes is attached in Enclosure No. 1.

Board of Directors' opinion: It is deemed appropriate to propose the shareholders to certify that the minutes of the Annual General Meeting of Shareholders No. 22, held on 19 April 2016, have been properly recorded.

Agenda item2 To consider and approve the increase in the registered capital of the Bank by THB 2,752,747,964.00 from THB 12,387,365,839.50 to THB 15,140,113,803.50 via the issuance of 5,505,495,928 new ordinary shares with a par value of THB 0.50 per share

Objective and reason:To enhance stability and robustness of the Bank and ensure the Bank has competitive edge and adequate capital fund to support its business expansion.

Board of Directors' opinion:To enhance stability and robustness of the Bank and ensure that the Bank has competitive edge and adequate capital fund to support its business expansion, the Board deems it appropriate that the Bank increases its registered capital by THB 2,752,747,964.00 via issuing 5,505,495,928 new ordinary shares with a par value of THB 0.50 per share ("Right Shares") to be offered to the existing shareholders proportionate to their shareholding ("Rights Offering") at the ratio of 2 new shares for every 9 existing CIMB Thai shares at the offering price of THB 1 per share.

The other opinions of the Board are set out below.

Reasons and Necessity for Capital Increase:

- 1) To ensure flexibility in the Bank's business operation, adequate capital fund to support business expansion according to its business plan and ability to maintain the Bank's capital fund at the industry level; and
- 2) To strengthen the Bank's capital position following elevated loan loss provisions in 2016. The increase in provision was mainly from rising NPLs in certain industries during the year as well as those arising from the gradual pace of the economic recovery.

After consideration, the Board was of the view that the issuance of newly issued shares was necessary and may affect the shareholders as follows:

1) Price Dilution

Price Dilution = $(\text{Market Price} - \text{Market Price after offering}) / \text{Market Price}$

Whereby

Market Price = The weighted average market price 7 business days prior to the Board of Directors Meeting dated 19 January 2017 = THB 1.4434 per share

Market Price after offering = $(\text{Market Price} \times \text{Paid-up Shares}) + (\text{New Shares Offering Price} \times \text{New Shares}) / (\text{Paid-up Shares} + \text{New Shares})$
= THB 1.3628 per share

Price Dilution = 5.59 %

2) **Control Dilution**

In case of the existing shareholders including CIMB Bank Berhad fully subscribe the share, there would not affect the control dilution.

3) **Earnings Per Share (EPS) Dilution**

Calculation cannot be made due to net loss recorded by the Bank.

* Data for calculation of EPS are derived from unaudited financial statements for the year ended 31 December 2016.

Feasibility of the plan to use the proceeds from Rights Offering:

To strengthen the Bank's capital position following elevated loan loss provisions in 2016.

Reasonableness of the proposed capital increase and the plan to use the proceeds, as well as the sufficiency of the sources of financial capital (if the plan to use the proceeds from the Rights Offering does not cover the total budget):

To strengthen the Bank's capital position following elevated loan loss provisions in 2016. CIMB Bank Berhad has informed the Bank that it will support the capital increase plan of the Bank to strengthen the Bank's capital position.

Possible impacts on the Bank's business operations as a result of the capital increase and the use of the proceeds:

After due consideration of the issuance of newly issued shares to the existing shareholders in accordance with their respective shareholdings as proposed to the shareholders for their approval, the Board is of the view that after the Bank receives the payment for the newly issued shares from the Rights Offering, the Bank's capital position will be strengthened enabling the Bank to continue to pursue the business expansion pursuant to its business plan.

Agenda item 3 To consider and approve an amendment to Clause 4 of the Memorandum of Association of the Bank to correspond with the Bank's increase in the registered capital

Objective and reason: To correspond with the proposed increase in the registered capital as in agenda item 2 above, the existing clause shall be repealed and replaced with the following:

"Clause 4 Registered capital THB 15,140,113,803.50 (fifteen thousand one hundred forty million one hundred thirteen thousand

		eight hundred three baht and fifty satang)
Divided into	30,280,227,607 shares	(thirty thousand two hundred eighty million two hundred twenty seven thousand six hundred seven shares)
Par value per share	THB 0.50	(fifty satang)
Divided into		
Ordinary shares	30,280,227,607 shares	(thirty thousand two hundred eighty million two hundred twenty seven thousand six hundred seven shares)
Preferred shares	- shares	(-)"

Board of Directors' opinion: The Board deems it appropriate to approve an amendment to Clause 4 of Memorandum of Association of the Bank to correspond with the Bank's increase in the registered capital as proposed in agenda item 2, and to authorize the person(s) appointed by the Board or the President and Chief Executive Officer to register the amendment of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce, and to amend or add information as ordered by the registrar.

Agenda item 4 To consider and approve the allocation of 5,505,495,928 newly issued shares with a par value of THB 0.50 per share to the existing shareholders in proportion to their shareholding at the ratio of 2 new shares for every 9 existing CIMB Thai shares at a offering price of THB 1 per share ("Rights Offering") and determination of the terms of allocation of shares

Objective and reason:

1. To ensure flexibility in the Bank's business operation, adequate capital fund to support business expansion according to its business plan and ability to maintain the Bank's capital fund at the proper level; and
2. To strengthen the Bank's capital position following elevated loan loss provisions in 2016. The increase in provision was mainly from rising NPLs in certain industries during the year as well as those arising from the gradual pace of the economic recovery.

The Board deems it appropriate to increase the Bank's registered capital from THB 12,387,365,839.50 to THB 15,140,113,803.50 via the issuance and offering of 5,505,495,928 new ordinary shares with a par value of THB 0.50 per share to the existing shareholders in proportion to their shareholding.

Board of Directors' opinion: The Board deems it appropriate for the EGM to consider and approve as follows:

- (1) Allocation of 5,505,495,928 new ordinary shares with a par value of THB 0.50 per share to existing shareholders in proportion to their shareholding at the ratio of 2 new shares for every 9 existing CIMB Thai shares, at a offering price of THB 1.00 per share ("Rights Offering"),
- (2) If there are any remaining shares from the first allocation to the existing shareholders, the Bank will allocate such remaining shares to the existing shareholders who wish to subscribe for the newly issued shares in excess of their entitlement, at the same price as that of the shares to be allocated. In the case that the remaining shares are less than the number of existing shareholders who subscribe for the shares in excess of their entitlement, the Bank will allocate the remaining shares to such shareholders who subscribe for the shares in excess of their entitlement, in proportionate of their shareholding, provided that the Bank will allocate the remaining shares until there are no shares to be allocated. Any fraction of the allocated shares that arises as a result of the allotment shall be discarded.
- (3) The issuance, offering and allocation of the Rights Shares shall only take place after the Bank has obtained the relevant regulatory approvals and consents, which includes the Bank of Thailand and the Ministry of Finance, to enable all shareholders of the Bank to have the opportunity to participate in the Rights Offering on an equitable basis; and
- (4) Authorization of the Board of Directors and/or any person authorized by the Board of Directors to consider and specify other details relevant to the allocation, including but not limited to: (1) consider and determine whether the newly issued shares shall be allocated on one occasion or more, the offering period, the determination and amendment of the book closing date and Record Date for the subscription rights to the Right Shares, payment of shares, other details and conditions relating to the allocation; (2) to enter into negotiations, agreements, and execute relevant documentation and agreements, and to undertake any act in connection with the allocation; and (3) to sign application forms for permission or exemption and evidence necessary and relevant to the allocation and offering of the newly issued shares, as well as apply for permission or exemption for such documentation and evidence from the government agencies or other relevant agencies, including the Bank of Thailand, Ministry of Finance etc., as well as the listing of the newly issued shares on the Stock Exchange of Thailand, and any other action necessary for the purpose of the allocation of the newly issued shares.

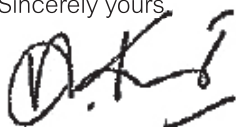
Agenda item5

Other matters (if any)

You are cordially invited to attend the EGM on the date, time and at the place specified above. If you have any query regarding the agenda items, please submit your query in advance to the e-mail address of the Bank, i.e. cs@cimbthai.com, or send by registered postal mail to Company Secretary, Office of the President, CIMB Thai Bank Plc., 21st floor, 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330, or by fax 02-657-3082, during 1 February 2017 - 14 February 2017. Please provide your name, address and phone number for ease of reference and reply.

In order to expedite and facilitate the registration process for the meeting attendance, each shareholder and/or proxy shall present to the registrar on the meeting date or deliver to the Company Secretary prior to the meeting a certificate with the shareholder's name or the proxy form containing barcode as in Enclosure No. 3, as well as an identification evidence for attending the meeting as in Enclosure No. 6. The Bank has specified the names of the shareholders who have the right to attend the EGM no. 1/2017 on Friday, 3 February 2017 (Record Date), and closed the share register book to suspend the share transfer for the purpose of collecting the names of shareholders in accordance with Section 225 of the Securities and Exchange Act on Monday, 6 February 2017.

Sincerely yours,



Kittiphun Anutarasoti

President and Chief Executive Officer

CIMB Thai Bank Public Company Limited

Remark: Shareholders may find the Notice Convening General Meeting of Shareholders and related documents on the Bank's website from 9 February 2017 onwards

In light of the above, the Board hereby confirms that it will perform the duties honestly by exercising due diligence to protect the interest of the Bank with respect to the issuance of newly issued shares, by taking into consideration appropriateness, feasibility, possibility, and fairness under their obligations that should be performed in accordance with the law, the objectives and the articles of association of the Bank, as well as any relevant rules and regulations. Accordingly, the Board will jointly be responsible to the Bank and the shareholders for any damage sustained by the Bank in the case of any act or omission by a director in violation of the law, objectives, the articles of association, as well as any rule and regulation, including the case of any act or omission by a director rendering that a director or his or her related party to unduly gain benefit. In this regard, the shareholders are entitled to demand that the director, who undertook such act or omission for the Bank, to return the benefit on behalf of the Bank.