

FORWARD  Your Business

Invitation Letter to Extraordinary General Meeting of Shareholders No. 1/2018

Tuesday, 4 September 2018
at 10.00 a.m.

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

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

Company Secretary Unit
Office of the President
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Invitation Letter to Extraordinary General Meeting of Shareholders No. 1/2018
CIMB Thai Bank Public Company Limited

1 August 2018

Subject: Invitation to the Extraordinary General Meeting of Shareholders No. 1/2018

To: Shareholders

- Enclosures:**
1. Draft minutes of the Annual General Meeting of Shareholders No. 24
 2. Proxy Form B
 3. Names and Profiles of independent directors proposed to be a proxy
 4. Definition of independent director
 5. Guidelines on registration, voting, proxy appointment and identification documents required for attending the Shareholders' meeting
 6. Procedures for attending the Extraordinary General Meeting of Shareholders No. 1/2017
 7. Map of the meeting venue

The Board of Directors of CIMB Thai Bank Public Company Limited ("CIMB Thai" or the "Bank"), at its meeting no. 7/2018 on July 20, 2018 resolved to convene the Extraordinary General Meeting of Shareholders No. 1/2018 ("EGM") on Tuesday, 4 September 2018, at 10.00 a.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 item1 To certify the minutes of the Annual General Meeting of Shareholders No. 24, held on 20 April 2018

Objective and reason: The Annual General Meeting of Shareholders No. 24 was held on 20 April 2018, 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. 24, held on 20 April 2018, have been properly recorded.

Agenda item 2 To consider and approve the increase in the registered capital of the Bank by THB 2,271,017,070.50 from THB 15,140,113,803.50 to THB 17,411,130,874.00 via the issuance of 4,542,034,141 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 to ensure that the Bank has adequate capital fund and sufficient capital buffer to support its business expansion.

Board of Directors' opinion:To enhance stability and robustness of the Bank and to ensure that the Bank has adequate capital fund and sufficient capital buffer to support its business expansion, the Board deems it appropriate that the Bank increases its registered capital by THB 2,271,017,070.50 via issuing 4,542,034,141 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 3 new shares for every 20 existing CIMB Thai shares at the offering price of THB 0.87 per share.

The other opinions of the Board are set out below.

Reasons and Necessity for Capital Increase:

- 1) To ensure that the Bank has adequate capital fund and sufficient capital buffer to support business expansion in accordance with its business plan and to maintain the Bank’s capital fund near the industry level; and
- 2) To strengthen the Bank’s capital position following increased loan loss provision.

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

1) **Price Dilution**

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

Whereby

$$\text{Market Price} = \text{The weighted average market price 7 business days prior to the Board of Directors Meeting dated 20 July 2018} = \text{THB } 0.8876 \text{ per share}$$
$$\text{Market Price after offering} = (\text{Market Price} \times \text{Paid-up Shares}) + (\text{New Shares Offering Price} \times \text{New Shares}) / (\text{Paid-up Shares} + \text{New Shares})$$
$$= \text{THB } 0.8853 \text{ per share}$$
$$\text{Price Dilution} = 0.26\%$$

2) **Control Dilution**

In case that the existing shareholders including CIMB Bank Berhad fully subscribe the issued shares, there would be no effect on the control dilution.

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

$$\text{EPS Dilution} = (\text{EPS before offering} - \text{EPS after offering}) / \text{EPS before offering}$$

Whereby

$$\begin{aligned} \text{EPS before offering} &= \text{Last 12 Months Net Profit} / \text{Paid-up Shares} \\ &= 0.0088 \text{ per share} \end{aligned}$$

Last 12 Months Net Profit is calculated from the July 1, 2017 to June 30, 2018.

And

$$\begin{aligned} \text{EPS after offering} &= \text{Last 12 Months Net Profit} / (\text{Paid-up Shares} + \text{New shares}) \\ &= 0.0077 \text{ per share} \end{aligned}$$

$$\text{EPS Dilution} = 12.50 \%$$

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

To strengthen the Bank's capital position following increased loan loss provisions.

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 increased loan loss provisions. 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 which would enable the Bank to continue to pursue business expansion according 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 4 of the Memorandum of Association shall be repealed and replaced with the following:

“Clause 4 Registered capital	THB 17,411,130,874.00	(seventeen billion four hundred eleven million one hundred thirty thousand eight hundred seventy four Baht)
Divided into	34,822,261,748 shares	(thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight shares)
Par value per share	THB 0.50	(fifty satang)
Divided into		
Ordinary shares	34,822,261,748 shares	(thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight shares)
Preferred shares	- shares	(-)”

Board of Directors’ opinion: The Board deems it appropriate to 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 as proposed in agenda item 2, and to authorize the Board of Directors and/or 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, to amend or add information as ordered and/or recommended by the Public Company Registrar, Department of Business Development, Ministry of Commerce.

Agenda item 4 **To consider and approve the allocation of 4,542,034,141 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 3 new shares for every 20 existing CIMB Thai shares at an offering price of THB 0.87 per share (“Rights Offering”) and determination of the terms of allocation of shares**

Objective and reason:

1. To ensure that the Bank has capital buffer and adequate capital fund to support business expansion in accordance with its business plan and ability to maintain the Bank's capital fund at a proper level; and
2. To strengthen the Bank's capital position following increased loan loss provisions.

The Board deems it appropriate to increase the Bank's registered capital from THB 15,140,113,803.50 to THB 17,411,130,874.00 via the issuance and offering of 4,542,034,141 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 4,542,034,141 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 3 new shares for every 20 existing CIMB Thai shares, at an offering price of THB 0.87 per share ("Rights Offering"). Any fraction of the allocated shares that arises as a result of the allotment shall be discarded.
- (2) If there are any remaining shares from the first allocation to the existing shareholders, the Bank will allocate such remaining shares, including the discarded fraction of the allocated 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, including the discarded fraction of the allocated 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 and fraction of the allocated shares to such shareholders who subscribe for the shares in excess of their entitlement in proportionate to their shareholding (pro rata basis), provided that the Bank will allocate the remaining shares and fraction of the allocated shares until there is no share to be allocated.
- (3) 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 of the Record Date for the subscription rights to the Right Shares, payment of shares price, share subscription ratio, subscription of shares in excess of their entitlement, 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 any application forms for permission or exemption, documentations and evidence necessary and relevant to the allocation and offering of the newly

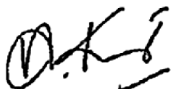
issued shares, as well as apply for permission or exemption for such documentation and evidence from the government agencies or other relevant agencies, including the Bank of Thailand, Ministry of Finance, the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, etc., as well as the listing of the newly issued shares on the Stock Exchange of Thailand, and (4) any other actions necessary for the purpose of the allocation of the newly issued shares.

Agenda item 5 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 via 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 no. 02-657-3082, during 20 - 31 August 2018. 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. 4, as well as an identification evidence for attending the meeting as in Enclosure No. 5. The Bank has specified the names of the shareholders who have the right to attend the EGM no.1/2018 on Monday, 6 August 2018 (Record Date).

Sincerely yours,



Kittiphun Anutarasoti

President and Chief Executive Officer

CIMB Thai Bank Public Company Limited

Remark: Shareholders may find the Notice Convening Extraordinary General Meeting of Shareholders and related documents on the Bank's website from 20 August 2018 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.



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