

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.

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RHB CAPITAL BERHAD
(Company No.: 312952-H)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PART A

- I. PROPOSED MEMBERS’ VOLUNTARY WINDING UP OF RHB CAPITAL BERHAD (“RHB CAPITAL”) (“PROPOSED WINDING UP”); AND**
- II. PROPOSED APPOINTMENT OF LIQUIDATORS**

PART B

PROPOSED DIRECTORS’ FEES

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Manager for the Proposed Winding Up



RHB Investment Bank Berhad
(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the Extraordinary General Meeting (“**EGM**”) of RHB Capital which will be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Friday, 24 June 2016 at 10.00 a.m. or at any adjournment thereof, together with the Form of Proxy are enclosed in this Circular.

You are entitled to vote at the EGM. Should you be unable to attend the EGM, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. In such event, you should complete and deposit the Form of Proxy at our share registrar’s office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the date and time fixed for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 2 June 2016

DEFINITIONS

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

Act	:	Companies Act, 1965
Board	:	Board of Directors of RHB Capital
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Circular	:	This circular dated 2 June 2016 in relation to the Proposals
Distribution and Capital Repayment	:	Distribution of our entire shareholding in RHB Bank by way of distribution-in-specie via a reduction of the entire share premium account of our Company and the par value of all our ordinary shares of RM1.00 each from RM1.00 to RM0.05 in accordance with Sections 60(2) and 64 of the Act as well as via our Company's retained earnings
EGM	:	Extraordinary general meeting
Entitlement Date	:	5.00 p.m. on 6 June 2016, being the time and date on which the names of our shareholders must appear in the Record of Depositors, in order to participate in the Distribution and Capital Repayment
High Court	:	High Court of Malaya
Internal Reorganisation	:	Transfer by our Company of the identified assets, which includes the entire equity interests in and certain assets and liabilities of our subsidiaries to RHB Bank for a total cash consideration of approximately RM3.61 billion, which was completed on 14 April 2016
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	6 May 2016, being the latest practicable date prior to the printing of this Circular
Market Days	:	Any day on which Bursa Securities is open for trading in securities
Proposals	:	Collectively, the Proposed Winding Up and Proposed Appointment of Liquidators
Proposed Appointment of Liquidators	:	Proposed appointment of Mr Duar Tuan Kiat and Ms Khoo Poh Poh from Ernst & Young, as liquidators for the Proposed Winding Up for the remuneration of RM142,500 for a period of 15 months from the date of their appointment, after which, a retainer fee of RM23,750 per year will be charged, excluding applicable goods and services tax and out-of-pocket expenses which are to be billed based on actual costs incurred
Proposed Directors' Fees	:	Proposed payment of the Directors' fees of RM419,918.04 to your Board for the services rendered or to be rendered from 1 January 2016 to 30 June 2016
Proposed Liquidators	:	Mr Duar Tuan Kiat and Ms Khoo Poh Poh, from Ernst & Young
Proposed Winding Up	:	Proposed members' voluntary winding up of our Company in accordance with the Act
Record of Depositors	:	A record of depositors provided by Bursa Depository to RHB Capital under Chapter 24.0 of the Rules of Bursa Depository

DEFINITIONS (Cont'd)

RHB Bank	:	RHB Bank Berhad (6171-M), a wholly-owned subsidiary of RHB Capital
RHB Bank Shares	:	Ordinary shares of RM1.00 each in RHB Bank
RHB Capital or Company	:	RHB Capital Berhad (312952-H)
RHB Capital Group or Group	:	Collectively, RHB Capital and its subsidiaries
RHB Capital Shares	:	Ordinary shares of RM0.05 each in RHB Capital
RHB Investment Bank or Manager	:	RHB Investment Bank Berhad (19663-P), a wholly-owned subsidiary of RHB Bank, being the Manager for the Proposed Winding Up
Rights Issue	:	Renounceable rights issue of 486,193,294 Rights Shares at an issue price of RM4.82 per Rights Share, on the basis of one (1) Rights Share for every five (5) existing ordinary shares of RM1.00 each in RHB Capital, which was completed on 21 December 2015
Rights Shares	:	New ordinary shares of RM1.00 each in RHB Capital issued under the Rights Issue
RM and sen	:	Ringgit Malaysia and sen, the legal tender of Malaysia
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SGD	:	Singapore Dollar, the legal tender of the Republic of Singapore
SICDA	:	Securities Industry (Central Depositories) Act 1991
Transfer of Listing Status	:	Transfer of our listing status on the Main Market of Bursa Securities to RHB Bank upon completion of the Rights Issue, Internal Reorganisation and Distribution and Capital Repayment

References to “**our Company**”, “**we**”, “**us**” “**our**” and “**ourselves**” in this Circular are to RHB Capital and where the context otherwise requires, shall include our subsidiary companies. References to “**our Group**” are to our Company and our subsidiary companies. All references to “**you**” in this Circular are to our shareholders.

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. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits), be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

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

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by RHB Capital, such as quarterly results or annual reports, is due to rounding.

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NOTICE OF EGM**ENCLOSED****PROXY FORM****ENCLOSED**

PART A

LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSALS

Registered office:
Level 9, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

2 June 2016

Board of Directors

Tan Sri Azlan Zainol (*Non-Independent Non-Executive Director*)
Datuk Haji Faisal Siraj (*Senior Independent Non-Executive Director*)
Datuk Seri Saw Choo Boon (*Independent Non-Executive Director*)
Mohamed Ali Ismaeil Ali AlFahim (*Non-Independent Non-Executive Director*)
Dato' Khairussaleh Ramli (*Group Managing Director/Group Chief Executive Officer*)

To: Our Shareholders

Dear Sir/Madam,

- (I) PROPOSED WINDING UP; AND**
 - (II) PROPOSED APPOINTMENT OF LIQUIDATORS**
-

1. INTRODUCTION

On 14 April 2016, RHB Investment Bank had, on behalf of your Board, announced that the Internal Reorganisation of our Company was completed on even date.

On 15 April 2016, RHB Investment Bank had, on behalf of your Board, announced that our Company had on 15 April 2016 filed a petition to the High Court to obtain a court order to confirm the reduction of our Company's issued and paid-up share capital and share premium account pursuant to Sections 60(2) and 64 of the Act for the Distribution and Capital Repayment. The order of the High Court was subsequently granted to our Company on 13 May 2016.

With the completion of the Internal Reorganisation and with the grant of the order from the High Court, our Company will distribute our entire shareholding in RHB Bank to the entitled shareholders of our Company via a reduction of the entire share premium account of our Company and the par value of all our ordinary shares of RM1.00 each from RM1.00 each to RM0.05 each in accordance with Sections 60(2) and 64 of the Act as well as via our Company's retained earnings.

On 20 May 2016, RHB Investment Bank had, on behalf of your Board, announced the entitlement date for the Distribution and Capital Repayment.

As stated in our Company's circular to shareholders dated 5 August 2015, your Board will recommend the Proposed Winding Up for the consideration of the shareholders of our Company at a separate EGM after the completion of the Distribution and Capital Repayment.

In view of the impending completion of the Distribution and Capital Repayment, RHB Investment Bank had on 20 May 2016, on behalf of your Board, announced that your Board had proposed to undertake the Proposed Winding Up.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS TOGETHER WITH THE RECOMMENDATION OF YOUR BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE SET OUT IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Details of the Proposed Winding Up

Your Board, having determined to initiate the process of a members' voluntary winding up of our Company, has made an inquiry into the affairs of our Company and has formed an opinion that our Company will be able to pay its debts in full within a period not exceeding twelve (12) months after the commencement of the Proposed Winding Up. In this regard, your Board had on 20 May 2016 made a declaration of solvency together with the statement of assets and liabilities of our Company in accordance with Section 257 of the Act.

The estimated amount recoverable pursuant to the Proposed Winding Up based on the assets and liabilities of our Company as at 6 May 2016 is as follows:-

	Estimated to realise or to rank for payment RM('000)
ASSETS	
Balance at bank	86,839
Investments other than marketable securities [^]	11,372,723
Interest receivable	595
Tax recoverable	89,727
Estimated realisable value of assets	<u>11,549,884</u>
LIABILITIES	
Estimated expenses for winding up	561
Accrued expenses	19,957
Amounts due to subsidiaries	661
Total liabilities	<u>21,179</u>
Estimated surplus after paying debts in full	11,528,705

Note:-

[^] *Comprises our Company's cost of investment in RHB Bank.*

For the avoidance of doubt, the statement of assets and liabilities as set out above has only been made up to 6 May 2016 and hence the effects arising from the Distribution and Capital Repayment have not been incorporated.

The final recoverable amount pursuant to the Proposed Winding Up after the Distribution and Capital Repayment is subject to the actual proceeds to be realised/received by the Proposed Liquidators in the course of realisation and settlement. For information purposes, any surplus cash remaining in our Company (after settlement of all liabilities and defrayment of expenses) will be returned to our shareholders according to their rights and interests in our Company once all statutory requirements in relation to the Proposed Winding Up are complied with.

The Proposed Winding Up will be tabled as a special resolution as required under Section 254(1)(b) of the Act. As such, the resolution for the Proposed Winding Up will be deemed passed if it has been passed by a majority of not less than three-fourths of shareholders as being entitled so to do vote in person (for those who are present and voting) or, where proxies are allowed, by proxy.

2.2 Details of the Proposed Appointment of Liquidators

To give effect to the Proposals, your Board is proposing the following:-

- (i) the appointment of the Proposed Liquidators, to act jointly and severally as the liquidators of our Company for the purposes of the Proposed Winding Up and who may exercise all their powers and duties jointly and severally pursuant to Section 269(3) of the Act, and that the remuneration of the Proposed Liquidators is fixed at RM142,500 for a period of 15 months from the date of their appointment, after which, a retainer fee of RM23,750 per year will be charged, excluding applicable goods and services tax and out-of-pocket expenses which are to be billed based on actual costs incurred;
- (ii) the Proposed Liquidators be empowered pursuant to Section 269(1)(a) of the Act to exercise any of the powers given under Sections 236(1)(b), (c), (d) and (e) of the Act where such powers include the power to pay any class of creditors in full, to make any compromise or arrangement with creditors or persons claiming to be creditors and to make any compromise with debtors or persons against whom our Company may have claims and finally the power to appoint an advocate to assist them; and
- (iii) the Proposed Liquidators be empowered in accordance with the provisions of our Company's Articles of Association to distribute, at their discretion, either in cash or in specie, all or any part of the assets of our Company among the members of our Company.

The Proposed Appointment of Liquidators is undertaken pursuant to Section 258 of the Act and it will be tabled as an ordinary resolution. As such, the resolution for the Proposed Appointment of Liquidators will be deemed passed if it has been passed by way of a simple majority of shareholders as being entitled so to do vote in person (for those who are present and voting) or, where proxies are allowed, by proxy.

3. RATIONALE FOR THE PROPOSALS

Upon the completion of the Distribution and Capital Repayment, RHB Capital will cease to have any operation and its assets will only comprise cash, interest receivable and tax recoverable. The listing status of RHB Capital is also proposed to be transferred to RHB Bank pursuant to the Transfer of Listing Status after the completion of the Distribution and Capital Repayment. The Proposed Winding Up is being undertaken to facilitate the Transfer of Listing Status as well as the liquidation of the remaining assets of RHB Capital.

The Proposed Appointment of Liquidators will enable the Proposed Liquidators to exercise powers given to them under Sections 236(1)(b), (c), (d) and (e) of the Act to effect the Proposed Winding Up as well as powers under our Company's Articles of Association to effect the distribution of the net proceeds from the Proposed Winding Up and/or if required, expedite the Proposed Winding Up without the need to obtain further approval from our shareholders at general meeting(s).

4. SUSPENSION OF TRADING OF RHB CAPITAL SHARES AND LISTING STATUS OF RHB CAPITAL

Pursuant to the Act, a voluntary winding up shall commence at the time of the passing of the resolution for voluntary winding up. Section 256(2) of the Act stipulates that any transfer of shares, not being a transfer made to or with the sanction of the liquidator, and any alteration in the status of the members made after the commencement of the winding up, shall be void.

In order to facilitate the Distribution and Capital Repayment, the trading of RHB Capital Shares on the Main Market of Bursa Securities has been suspended from 9.00 a.m. on Tuesday, 31 May 2016, being three (3) clear Market Days prior to the Entitlement Date.

The suspension of trading of RHB Capital Shares will continue until its withdrawal from the Official List of Bursa Securities and the admission of RHB Bank and RHB Bank Shares to the Official List of Bursa Securities. The Transfer of Listing Status can only be effected after the completion of the Distribution and Capital Repayment as well as after the approval of our shareholders for the Proposals have been obtained at the forthcoming EGM. In this regard, barring unforeseen circumstances, RHB Bank Shares are expected to be listed and quoted on the Main Market of Bursa Securities within a period of up to 5 weeks from the suspension of trading of RHB Capital Shares, after taking into consideration the time required to convene the EGM for the Proposals as well as for the listing of and quotation for the RHB Bank Shares on the Main Market of Bursa Securities.

For information purposes, RHB Bank will release an announcement on its listing date through Bursa Securities after the approval of our shareholders for the Proposals have been obtained at the forthcoming EGM.

THE RESTRICTION UNDER SECTION 256(2) OF THE ACT ON ANY TRANSFER OF SHARES SAVE FOR THOSE TRANSFER(S) SANCTIONED BY THE LIQUIDATOR, AND ANY ALTERATION IN THE STATUS OF OUR SHAREHOLDERS SHALL TAKE EFFECT IMMEDIATELY ON YOUR APPROVAL OF THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

5. APPROVALS REQUIRED

The Proposals are subject to the approval of our shareholders being obtained at the forthcoming EGM.

For information purposes, Bursa Securities had on 4 September 2015 approved the Transfer of Listing Status which comprises the following:-

- (i) the withdrawal of RHB Capital and the ordinary shares of RHB Capital from the Official List of Bursa Securities and the admission of RHB Bank and the entire enlarged issued and paid-up share capital of RHB Bank to the Official List of Bursa Securities in place of RHB Capital; and
- (ii) the listing of and quotation for the entire enlarged issued and paid-up share capital of RHB Bank on the Main Market of Bursa Securities.

The Transfer of Listing Status can only be effected after the approval of our shareholders for the Proposals have been obtained at the forthcoming EGM. In the event that the Proposals are not approved by our shareholders at the forthcoming EGM:-

- (i) Bursa Securities may classify RHB Capital as an "Affected Listed Issuer" under Practice Note 17 of the Listing Requirements and RHB Capital will be required to formulate a regularisation plan under Practice Note 17 of the Listing Requirements; and
- (ii) RHB Bank will not be able to assume the listing status of RHB Capital.

6. INTER-CONDITIONALITY OF THE PROPOSALS

The Proposed Appointment of Liquidators and the Proposed Winding Up are inter-conditional. The Proposals are not conditional upon any other corporate exercise.

7. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Distribution and Capital Repayment and the Transfer of Listing Status, there is no other corporate proposal which has been announced on Bursa Securities but is pending completion as at the LPD.

8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

8.1 Proposed Winding Up

None of our Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Winding Up save for their respective entitlements as shareholders under the Proposed Winding Up which are also available to the other shareholders.

8.2 Proposed Appointment of Liquidators

None of our Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Appointment of Liquidators.

9. DIRECTORS' RECOMMENDATION

Your Board, after having considered all aspects of the Proposals including the rationale for the Proposals, is of the opinion that the Proposals are in the best interests of our Company.

Accordingly, your Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

10. ADVISER

RHB Investment Bank has been appointed as the Manager to our Company for the Proposed Winding Up on 20 May 2016.

11. ESTIMATED TIMEFRAME FOR COMPLETION

The completion of the Proposed Winding Up is dependent on, *inter alia*, the time required for full realisation of the remaining assets and the settlement of the liabilities of RHB Capital, the completion of the liquidation process of its subsidiaries which are under liquidation as well as the final tax clearance from the Malaysian Inland Revenue Board. Barring any unforeseen circumstances, the Proposed Winding Up is expected to be completed within 36 months from the date our shareholders approve the Proposals, provided that the aforementioned can be met within the stipulated period.

For information purposes, any surplus cash remaining in our Company (after settlement of all liabilities and defrayment of expenses) will be returned to our shareholders according to their rights and interests in our Company once all statutory requirements in relation to the Proposed Winding Up are complied with, which is expected to be within 36 months from the date our shareholders approve the Proposals.

12. NOTIFICATION TO OUR SHAREHOLDERS AFTER THE DELISTING OF RHB CAPITAL

If the Proposed Winding Up continues for more than one (1) year, the Proposed Liquidators shall call for a general meeting at the end of the first year from the commencement of the Proposed Winding Up and of each succeeding year or not more than three (3) months thereafter, and shall lay before the meeting an account of their acts and dealings and of the conduct of the Proposed Winding Up during the preceding year.

As soon as the affairs of our Company are fully wound up, the Proposed Liquidators shall then call for a final general meeting to present an account of how the Proposed Winding Up has been conducted and the assets disposed of.

In addition, should there be any surplus cash remaining in our Company (after settlement of all liabilities and defrayment of expenses), our shareholders shall be notified in writing by the Proposed Liquidators.

The Proposed Liquidators will despatch the notice(s) of general meeting(s), notice of distribution of surplus cash and such other notices which the Proposed Liquidators may deem necessary, to our shareholders by post at their address as shown in the records of Bursa Depository. In respect of the final general meeting, the meeting shall be called by advertisement published in a newspaper circulating generally throughout Malaysia.

13. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Friday, 24 June 2016 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the forthcoming EGM, please complete, sign and send the enclosed Proxy Form in accordance with the instructions therein as soon as possible and in any event so as to arrive at our share registrar's office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time fixed for the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the 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
RHB CAPITAL BERHAD

TAN SRI AZLAN ZAINOL
Non-Independent Non-Executive Director

PART B

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED
DIRECTORS' FEES**

Registered office:
Level 9, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur

2 June 2016

Board of Directors

Tan Sri Azlan Zainol (*Non-Independent Non-Executive Director*)
Datuk Haji Faisal Siraj (*Senior Independent Non-Executive Director*)
Datuk Seri Saw Choo Boon (*Independent Non-Executive Director*)
Mohamed Ali Ismaeil Ali AlFahim (*Non-Independent Non-Executive Director*)
Dato' Khairussaleh Ramli (*Group Managing Director/Group Chief Executive Officer*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED DIRECTORS' FEE

1. INTRODUCTION

On 14 April 2016, RHB Investment Bank had, on behalf of your Board, announced that the Internal Reorganisation of our Company was completed on even date.

On 15 April 2016, RHB Investment Bank had, on behalf of your Board, announced that our Company had on 15 April 2016 filed a petition to the High Court to obtain a court order to confirm the reduction of our Company's issued and paid-up share capital and share premium account pursuant to Sections 60(2) and 64 of the Act for the Distribution and Capital Repayment. The order of the High Court was subsequently granted to our Company on 13 May 2016.

With the completion of the Internal Reorganisation and with the grant of the order from the High Court, our Company will distribute our entire shareholding in RHB Bank to the entitled shareholders of our Company via a reduction of the entire share premium account of our Company and the par value of all our ordinary shares of RM1.00 each from RM1.00 each to RM0.05 each in accordance with Sections 60(2) and 64 of the Act as well as via our Company's retained earnings.

On 20 May 2016, RHB Investment Bank had, on behalf of your Board, announced the entitlement date for the Distribution and Capital Repayment.

As stated in our Company's circular to shareholders dated 5 August 2015, your Board will recommend the Proposed Winding Up for the consideration of the shareholders of our Company at a separate EGM after the completion of the Distribution and Capital Repayment.

In view of the impending completion of the Distribution and Capital Repayment, RHB Investment Bank had on 20 May 2016, on behalf of your Board, announced that your Board had proposed to undertake the Proposed Winding Up.

As the powers of your Board shall cease upon the appointment of the Proposed Liquidators pursuant to Section 258(2) of the Act, your Board has resolved to seek your approval for the payment of the Directors' fees for their services rendered or to be rendered from 1 January 2016 to 30 June 2016 at the forthcoming EGM.

THE PURPOSE OF PART B THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED DIRECTORS' FEES AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DIRECTORS' FEES TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE SET OUT IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DIRECTORS' FEES TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DIRECTORS' FEES

In recognition of the services rendered by the Directors to RHB Capital, your Board proposes to seek your approval for the Proposed Directors' Fees at the forthcoming EGM for the amount of RM419,918.04 for their services rendered or to be rendered from 1 January 2016 to 30 June 2016. These fees are pro-rated in accordance with the respective Directors' tenure of services during the period, which is in line with our existing policies on Directors' fees (i.e. RM150,000 per annum for each Non-Executive Director and RM180,000 per annum for the Chairman of the Board).

The total Directors' fees for the financial year ended 31 December 2015 as approved by our shareholders at the Annual General Meeting held on 12 May 2016 amounted to RM1,021,643.84.

3. APPROVALS REQUIRED

The Proposed Directors' Fees is subject to the approval of our shareholders being obtained at the forthcoming EGM.

The Proposed Directors' Fees is conditional upon the Proposals but not vice-versa.

The Proposed Directors' Fees is not conditional upon any other corporate exercise.

4. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Friday, 24 June 2016 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Directors' Fees.

If you are unable to attend and vote in person at the forthcoming EGM, please complete, sign and send the enclosed Proxy Form in accordance with the instructions therein as soon as possible and in any event so as to arrive at our share registrar's office at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time fixed for the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

5. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board
RHB CAPITAL BERHAD

TAN SRI AZLAN ZAINOL
Non-Independent Non-Executive Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENTS**2.1 RHB Investment Bank**

RHB Investment Bank, being the Manager for the Proposed Winding Up, 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 they appear in this Circular.

2.2 Proposed Liquidators

Mr Duar Tuan Kiat and Ms Khoo Poh Poh from Messrs. Ernst & Young, being the Proposed Liquidators, have given and have not subsequently withdrawn their written consent to the inclusion in this Circular of their names and all references to them in the form and context in which they appear in this Circular.

3. CONFLICT OF INTEREST**3.1 RHB Investment Bank**

RHB Investment Bank is our indirect wholly-owned subsidiary and is deemed to be a related corporation. Our Directors, namely Datuk Seri Saw Choo Boon and Mohamed Ali Ismaeil Ali AlFahim are also Directors of RHB Investment Bank. Notwithstanding this, RHB Investment Bank is of the view that the relationship does not give rise to a conflict of interest situation in its capacity as the Manager in relation to the Proposed Winding Up premised on the following:-

- (i) RHB Investment Bank is a licensed financial institution and its appointment as the Manager is in its ordinary course of business;
- (ii) The conduct of RHB Investment Bank is strictly regulated by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and its own internal controls, policies and procedures; and
- (iii) RHB Investment Bank will not derive any monetary benefit from the Proposed Winding Up.

Save as disclosed above, RHB Investment Bank is not aware of any other circumstance that would give rise to a conflict of interest situation in its capacity as the Manager in relation to the Proposed Winding Up.

3.2 Proposed Liquidators

Mr Duar Tuan Kiat and Ms Khoo Poh Poh from Messrs. Ernst & Young, being the Proposed Liquidators, have given their written confirmation that they are not aware of any conflict of interest which exists or is likely to exist in their capacity as the Proposed Liquidators.

FURTHER INFORMATION (Cont'd)

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed below, as at 31 March 2016, your Board is not aware of any other material commitment and contingent liability incurred or known to be incurred by our Group/Company which upon becoming enforceable may have a material impact on the financial position of our Group/Company:-

4.1 Commitments and contingencies

In the normal course of business, the banking subsidiaries make various commitments and incur certain contingent liabilities with legal recourse to its customers as set out below.

Group	As at 31 March 2016
	RM('000)
Direct credit substitutes	2,153,501
Transaction-related contingent items	4,768,246
Short term self-liquidating trade-related contingencies	1,852,110
Obligations under underwriting agreements	99,955
Lending of banking subsidiaries' securities or the posting of securities as collateral by subsidiaries, including instances where these arise out of repo-style transactions banking	1,872,975
Irrevocable commitments to extend credit	
- maturity not exceeding one year	2,600,998
- maturity exceeding one year	29,203,901
Foreign exchange related contracts ^	
- less than one year	65,520,790
- one year to less than five years	11,748,489
- more than five years	702,398
Equity related contracts ^	
- less than one year	100
Interest rate related contracts ^	
- less than one year	8,020,036
- one year to less than five years	29,780,202
- more than five years	1,978,991
Any commitments that are unconditionally cancelled at any time by the banking subsidiaries without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	17,010,855
	177,313,547

Note:-

^ *These derivatives are revalued on gross position basis and the unrealised gains or losses have been reflected in the income statements and statements of financial position as derivative assets or derivative liabilities.*

In addition to the above, RHB Bank has given a continuing guarantee to Bank Negara Malaysia to meet the liabilities and financial obligations and requirements of its subsidiary, RHB Bank (L) Ltd, arising from its offshore banking business in the Federal Territory of Labuan. Further, RHB Bank has issued a guarantee to Bank of Thailand to provide support to meet any legal liabilities which may be incurred in respect of its operations in Thailand.

FURTHER INFORMATION (Cont'd)

4.2 Capital commitments

Group	As at 31 March 2016 RM('000)
Capital expenditure for property, plant and equipment:-	
- authorised and contracted for	165,829
- authorised but not contracted for	284,501
	450,330

4.3 Guarantees issued by our Group

	As at 31 March 2016 RM('000)
Corporate guarantee in favour of client's trading facilities granted by a subsidiary	68,000

4.4 Guarantees issued by our Company

	As at 31 March 2016 RM('000)
Corporate guarantee provided to licensed banks for credit facilities granted to subsidiaries	83,070
Corporate guarantee in favour of client's trading facilities granted by a subsidiary	68,000
Letter of undertaking in favour of Monetary Authority of Singapore provided for a subsidiary	145,033
	296,103

5. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular:-

- (i) Share sale agreement dated 6 April 2016 entered into between our Company and RHB Bank for the transfer by our Company of the entire equity interests in certain subsidiaries to RHB Bank for a cash consideration of RM3,316,379,002 pursuant to the Internal Reorganisation;
- (ii) Asset purchase agreement dated 6 April 2016 entered into between RHB Bank and RHB Hartanah Sdn Bhd ("**RHB Hartanah**") for the acquisition by RHB Bank of certain assets and liabilities of RHB Hartanah for a cash consideration of RM298,374,000 pursuant to the Internal Reorganisation ("**Asset Purchase Agreement**");
- (iii) Sale and purchase agreement dated 6 April 2016 entered into between RHB Bank and RHB Hartanah for the acquisition by RHB Bank of all that piece of land held under Geran 71681, Lot 512, Section 90, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring an area of 10,270 square metres together with an office complex known as 'RHB Centre' and having a total net lettable area of about 43,503.01 square metres erected thereon from RHB Hartanah for a cash consideration of RM225,455,000, which forms part of the purchase consideration under the Asset Purchase Agreement;

FURTHER INFORMATION (Cont'd)

- (iv) Sale and purchase agreement dated 6 April 2016 entered into between RHB Bank and RHB Hartanah for the acquisition by RHB Bank of all that piece of land held under Geran 31538, Lot 29, Section 90, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur and measuring a net land area of about 5,136.25 square metres from RHB Hartanah for a cash consideration of RM67,693,000, which forms part of the purchase consideration under the Asset Purchase Agreement;
- (v) Management and underwriting agreement dated 9 September 2015 entered into between our Company, the managing underwriter, namely RHB Investment Bank (“**Managing Underwriter**”) and the joint underwriters, namely Affin Hwang Investment Bank Berhad, CIMB Investment Bank Berhad, Credit Suisse Securities (Malaysia) Sdn Bhd, Maybank Investment Bank Berhad, Public Investment Bank Berhad and RHB Investment Bank (collectively the “**Joint Underwriters**”) (“**Management and Underwriting Agreement**”) pursuant to the Rights Issue;
- (vi) Supplemental agreements to the Management and Underwriting Agreement dated 5 November 2015 and 17 November 2015 entered into between our Company, the Managing Underwriter and the Joint Underwriters to vary certain terms and conditions contained in the Management and Underwriting Agreement; and
- (vii) Share purchase agreement dated 25 August 2014 entered into between RHB Investment Bank and Deutsche Asia Pacific Holdings Pte Ltd (“**DAPH**”) for the acquisition of the remaining 49% of equity stake equivalent to 36,750,000 ordinary shares in RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte Ltd) from DAPH for a cash consideration of SGD123,502,067 (“**SPA**”). Upon completion of the SPA on 15 December 2014, RHB Securities Singapore Pte. Ltd. became a wholly-owned subsidiary of RHB Investment Bank.

6. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

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

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 9, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur 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 EGM:-

- (i) the Memorandum and Articles of Association of RHB Capital;
- (ii) the letters of consent referred to in Section 2 above; and
- (iii) the material contracts referred to in Section 5 above.



RHB CAPITAL BERHAD

(Company No.: 312952-H)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of RHB Capital Berhad (“RHB Capital” or “Company”) will be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Friday, 24 June 2016 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, to pass with or without modifications the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED DIRECTORS’ FEES

“**THAT**, subject to the passing of the Special Resolution and Ordinary Resolution 2, approval be and is hereby given for the payment of directors’ fees of RM419,918.04 for the services rendered or to be rendered by the Directors of the Company from 1 January 2016 to 30 June 2016.”

SPECIAL RESOLUTION

PROPOSED MEMBERS’ VOLUNTARY WINDING UP OF RHB CAPITAL (“PROPOSED WINDING UP”)

“**THAT**, subject to the passing of the Ordinary Resolution 2 and pursuant to Section 254(1)(b) of the Companies Act, 1965 (“Act”), the Company be and is hereby wound up voluntarily by way of members’ voluntary winding up;

THAT pursuant to Section 269(1)(a) of the Act, the appointed liquidators shall be entitled to and may exercise any of the powers given by Sections 236(1)(b), (c), (d) and (e) of the Act;

THAT in accordance with the provisions of the Company’s Articles of Association, the appointed liquidators be and are hereby authorised to distribute, at their discretion, either in cash or in specie, all or any part of the assets of the Company among the members of the Company;

AND THAT the appointed liquidators be and are hereby authorised to take such steps, make such arrangements, do all such acts and things and exercise such discretion in connection with, relating to or arising from the matters contemplated herein, as they may from time to time consider fit, necessary, desirable or expedient to give effect to such matters and this resolution.”

ORDINARY RESOLUTION 2

PROPOSED APPOINTMENT OF LIQUIDATORS

“**THAT**, subject to the passing of the Special Resolution and in accordance with Section 258(1) of the Act, Mr Duar Tuan Kiat and Ms Khoo Poh Poh from Ernst & Young of Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur be and are hereby appointed to act jointly and severally as the liquidators of the Company for the purposes of the Proposed Winding Up (“**Proposed Liquidators**”) and may exercise all their powers and duties jointly and severally pursuant to Section 269(3) of the Act, and that the remuneration of the Proposed Liquidators is fixed at RM142,500 for a period of 15 months from the date of their appointment, after which, a retainer fee of RM23,750 per year will be charged, excluding applicable goods and services tax and out-of-pocket expenses which are to be billed based on actual costs incurred.”

BY ORDER OF THE BOARD

Azman Shah Md Yaman (LS 0006901)
Ivy Chin So Ching (MAICSA No. 7028292)
Company Secretaries

Kuala Lumpur
2 June 2016

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 17 June 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this EGM.*
2. *A member of the Company entitled to attend and vote at the EGM is entitled to appoint up to two (2) proxies to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.*
4. *If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.*
5. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account which is credited with ordinary shares of the Company.*
6. *The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan P.JU 1A/46, 47301 Petaling Jaya, Selangor not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.*

Proxy Form



RHB Capital Berhad

(Company No. 312952-H)

(Incorporated in Malaysia under the Companies Act, 1965)

No. of Ordinary Shares held

CDS Account No

I/We _____ NRIC/Passport/Company No. _____
(Name in block letters)

of _____
(Full address)

being a member of **RHB CAPITAL BERHAD** hereby appoint:-

Name _____ NRIC No. (Mandatory) _____

of _____
(Full address)

and/or*

Name _____ NRIC No. (Mandatory) _____

of _____
(Full address)

or failing him/her, the CHAIRMAN OF THE MEETING, as my/our* proxy to vote for me/us* and on my/our* behalf at the Extraordinary General Meeting of the Company to be held at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Friday, 24 June 2016 at 10.00 a.m. or at any adjournment thereof.

The proportion of my/our* holding to be represented by my/our* proxies are as follows:-

First Proxy (1) Second Proxy (2)

My/Our proxy* is to vote as indicated below:-

	Resolutions	For	Against
Ordinary Resolution 1	Proposed Directors' Fees		
Special Resolution	Proposed Winding Up		
Ordinary Resolution 2	Proposed Appointment of Liquidators		

(Please indicate with an "X" in the spaces provided above as to how you wish to cast your vote. If no specific directions as to voting are given, the proxy shall vote or abstain from voting at his/her full discretion.)

Dated _____, 2016

Signature
(If shareholder is a corporation, this part should be executed under the seal)

* Delete if not applicable

Notes:-

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 17 June 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this Extraordinary General Meeting ("EGM").
- A member of the Company entitled to attend and vote at the EGM is entitled to appoint up to two (2) proxies to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
- If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
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- The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- Shareholders' and proxies' registration will start at 8.30 a.m. and will end at a time as directed by the Chairman of the meeting. At the closure thereof, no person will be allowed to register for the meeting or enter the meeting venue and no wrist tag and poll paper (if any) will be allocated.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar of **RHB CAPITAL BERHAD**
SYMPHONY SHARE REGISTRARS SDN BHD
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor

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