

THIS NOTICE OF ELECTION AND DIVIDEND REINVESTMENT FORM (CONTAINED HEREIN) IS ISSUED IN CONNECTION WITH THE DIVIDEND REINVESTMENT PLAN ("DRP") APPLICABLE TO THE FINAL DIVIDEND (AS DEFINED HEREIN). THIS NOTICE OF ELECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND IS TO BE READ IN CONJUNCTION WITH THE DIVIDEND REINVESTMENT PLAN STATEMENT ("STATEMENT").

IF YOU WISH TO PARTICIPATE IN THE DRP, YOU MUST COMPLETE AND RETURN THE DIVIDEND REINVESTMENT FORM TO EQUINITI SERVICES SDN BHD, THE SHARE REGISTRAR FOR THE DRP, SUCH THAT IT REACHES THE SHARE REGISTRAR FOR THE DRP ON OR BEFORE THE EXPIRY DATE (AS DEFINED HEREIN). IF YOU DECIDE TO RECEIVE YOUR ENTIRE FINAL DIVIDEND ENTITLEMENT IN CASH ONLY, YOU DO NOT NEED TO TAKE ANY ACTION. THE PAYMENT OF THE TOTAL FINAL DIVIDEND ENTITLEMENT WILL BE MADE TO YOU ON THE PAYMENT DATE (AS DEFINED HEREIN) AS PER THE ARRANGEMENT THAT YOU HAVE APPROVED EARLIER.



MALAYSIA BUILDING SOCIETY BERHAD

(Company No.: 9417-K)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF ELECTION IN RELATION TO THE DIVIDEND REINVESTMENT PLAN THAT PROVIDES SHAREHOLDERS OF MALAYSIA BUILDING SOCIETY BERHAD ("MBSB") WITH AN OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW ORDINARY SHARES OF RM1.00 EACH IN MBSB ("MBSB SHARES")

Adviser



AmInvestment Bank

AmlInvestment Bank Berhad

(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: The Entitled Shareholders of MBSB

Dear Sir/Madam,

On 28 January 2014, our Board of Directors ("**Board**") had declared a single-tier final dividend of 5 sen per MBSB Share for the financial year ended 31 December 2013 ("**Final Dividend**"). Our Board had also determined and declared that the DRP will apply to the Final Dividend and the Option to Reinvest (as defined herein) will be applicable to the entire Final Dividend ("**Electable Portion**").

At the extraordinary general meeting ("**EGM**") held on 10 December 2013, our shareholders approved, *inter alia*, the allotment and issuance of such number of new MBSB Shares arising from the DRP ("**New Shares**") upon such terms and conditions as the Board may, in their absolute discretion, deem fit and in the interest of MBSB provided that the issue price of the New Shares shall be fixed by the Board at not more than 10% discount to the volume weighted average market price ("**VWAP**") of MBSB Shares for the 5 market days immediately prior to the Price Fixing Date (as defined herein). The VWAP shall be ex-Dividend i.e adjusted for Dividend ("**Ex-Dividend VWAP**"), before applying the aforementioned discount in fixing the issue price and the issue price shall not be less than the par value of MBSB Shares of RM1.00 at the material time.

The DRP provides you with the option to elect to reinvest all or part of the Electable Portion into New Shares. This Notice of Election ("**NOE**") (including the Dividend Reinvestment Form ("**DRF**") is issued in connection with the DRP applicable to the Final Dividend. If you elect to reinvest the entire Electable Portion or a part thereof into New Shares ("**Option to Reinvest**"), you must complete and sign the DRF contained in this NOE and submit it to the Share Registrar for the DRP such that it reaches the Share Registrar for the DRP on or before the last date and time as specified below. **No cash payment is required** from you should you elect the Option to Reinvest, however, a Malaysian Revenue Stamp (not postage stamp) of Ringgit Malaysia Ten (RM10.00) must be affixed on the DRF.

The New Shares will be issued to you at the issue price of RM2.03 per New Share as determined on 22 April 2014 ("**Price Fixing Date**"). The issue price of RM2.03 represents a discount of approximately 9.78% to the Ex-Dividend VWAP of RM2.25 which was arrived at after taking into consideration:

- (i) the 5-day VWAP of RM2.30 per MBSB Share up to and including 21 April 2014, being the last trading day prior to the Price Fixing Date; and
- (ii) a dividend adjustment of 5 sen to the 5-day VWAP of MBSB Shares.

Any issuance of New Shares pursuant to this NOE (including the DRF) is subject to the terms and conditions stated in the Statement and this NOE (including the DRF) issued by MBSB. The maximum number of New Shares that has been set out in the DRF was computed based on your entitlement for the Electable Portion as at 8 May 2014 ("**Books Closure Date**").

You will receive the Electable Portion in cash if you do not expressly elect in writing to participate in the DRP according to its terms. As such, you need not take any action if you wish to receive your Electable Portion in cash.

Last date and time to submit the DRF	: Monday, 26 May 2014 at 5.00 p.m. , or such other date and time as may be extended by the Board at its sole discretion (" Expiry Date ")
Issuance and allotment of New Shares as well as payment of cash dividend to shareholders	: Thursday, 5 June 2014 ("Payment Date")

By Order of the Board
Koh Ai Hoon (MAICSA 7006997)
Tong Lee Mee (MAICSA 7053445)
 Company Secretaries

Share Registrar for the DRP
Equiniti Services Sdn Bhd (11324-H)
 Level 8, Menara MIDF
 82 Jalan Raja Chulan
 50200 Kuala Lumpur
 Telephone no: 603 – 2166 0933
 Fax no: 603 – 2166 0688

THIS DRF IS ISSUED IN CONNECTION WITH THE DRP APPLICABLE TO THE FINAL DIVIDEND IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 OF 5 SEN PER MBSB SHARE. IF YOU WISH TO PARTICIPATE IN THE DRP, YOU MUST COMPLETE AND RETURN THIS DRF TO THE SHARE REGISTRAR FOR THE DRP SUCH THAT IT REACHES THE SHARE REGISTRAR FOR THE DRP ON OR BEFORE THE EXPIRY DATE. IF YOU DECIDE TO RECEIVE YOUR ENTIRE FINAL DIVIDEND ENTITLEMENT IN CASH ONLY, YOU DO NOT NEED TO TAKE ANY ACTION. THE PAYMENT OF THE TOTAL FINAL DIVIDEND ENTITLEMENT WILL BE MADE TO YOU ON THE PAYMENT DATE AS PER THE ARRANGEMENT THAT YOU HAVE APPROVED EARLIER.

To: The Board of Directors
Malaysia Building Society Berhad



Name, Address and Central Depository System ("CDS") Account Number of Entitled Shareholder

NRIC NO. / COMPANY NO. **CDS A/C NO.** - -

Number of MBSB Shares held at 5:00 p.m. on 8 May 2014

DIVIDEND ENTITLEMENT

	Dividend (RM)
Final Dividend of 5 sen per MBSB Share held ⁽¹⁾	
Electable Portion of 5 sen per MBSB Share held as approved by the Board ⁽²⁾	
Remaining Portion ⁽³⁾	-
Maximum number of New Shares available for Option to Reinvest under the DRP ⁽⁴⁾	

OPTION TO REINVEST

Please take note that:

- (i) If you decide to reinvest only part of your Electable Portion into New Shares, you are required to fill up the number of New Shares that you wish to subscribe in Part A and complete this DRF by signing on the column provided in Part B.
- (ii) However, if you submit this DRF by signing on the column provided in Part B without filling up the number of New Shares that you wish to subscribe in Part A, you are deemed as reinvesting the entire Electable Portion into New Shares under the DRP.
- (iii) No cash payment is required from you should you elect to participate in the DRP, however, a Malaysian Revenue Stamp (not postage stamp) of Ringgit Malaysia Ten (RM10.00) must be affixed on the DRF.

PART A

(Please indicate election by writing clearly in ink in the boxes below)

Number of New Shares that you elect to subscribe under the Option to Reinvest at RM2.03 per MBSB Share ⁽⁵⁾

(Please note that the respective balance of the Electable Portion will be paid in cash)

Notes:

- (1) The Final Dividend of 5 sen per MBSB Share held comprises the Electable Portion of 5 sen per MBSB Share held. If you decide to receive your entire Final Dividend entitlement in cash only, the payment of the total Final Dividend entitlement is as per indicated.
- (2) Kindly take note that you have the option to elect to participate and thereby reinvest the entire Electable Portion or a part thereof into New Shares and if applicable, to receive the balance of the Electable Portion not reinvested in cash; or elect not to exercise the Option to Reinvest and thereby receive the entire Electable Portion wholly in cash.
- (3) The Remaining Portion is the remaining portion of the Final Dividend after the deduction of the Electable Portion, where applicable.
- (4) The maximum number of New Shares available for the Option to Reinvest under the DRP is calculated based on your entitlement for the Electable Portion as at 8 May 2014 and the issue price of RM2.03 per MBSB Share, rounded down to the nearest unit. The number of New Shares that would be issued if all entitled shareholders elect to reinvest the Option to Reinvest is 64,650,581 MBSB Shares, representing approximately 2.46% of the issued and paid-up share capital of MBSB (excluding treasury shares) as at the Books Closure Date. It should be noted that any fractional entitlement of New Shares will be paid in cash to you in the usual manner.
- (5) Please type or write clearly in ink the number of New Shares that you elect to subscribe under the Option to Reinvest. Please note that the number of New Shares that you elect to subscribe for under the Option to Reinvest must not be greater than the maximum number of New Shares made available to you based on your entitlement for the Electable Portion as at 8 May 2014.

PART B

I/We* hereby elect to participate in the DRP and hereby irrevocably agree to subscribe to the total number of New Shares under the Option to Reinvest as stated above, at the issue price of RM2.03 per MBSB Share, subject to the terms and conditions set out in the Statement and the NOE and further confirm compliance with all requirements for acceptance as set out therein.

I/We* hereby confirm and declare and/or represent and warrant and/or agree that:

- (i) I/We* have complied with all the requirements in completing this DRF;
- (ii) I/We* have provided and filled up all information fields and declarations required under this DRF accurately and completely with valid information which is identical with the information in the records of Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**");
- (iii) I/We* acknowledge and consent to MBSB and the Share Registrar for the DRP to collect all the information and personal data ("**Data**") required herein to process and disclose such Data to any person including regulators for the purpose of effecting the DRP and storing such Data in any data servers located in Malaysia or overseas in accordance with the relevant laws and regulations;
- (iv) I/We* hereby agree and confirm that should I/we* fail to meet or comply with all the requirements and information required in this DRF or that the information herein differs from the Bursa Depository's records, MBSB has the absolute and unfettered right to reject this DRF and my/our* exercise made herein. In the event MBSB rejects this DRF or exercises its discretion to accept this DRF notwithstanding the non-compliance with any or all the requirements to this DRF, MBSB shall be absolved from and shall not be liable or responsible for any or all forms of liabilities, losses, damages, costs (on a solicitor client basis) and claims that may be incurred or suffered by me/us* as a result thereof;
- (v) I/We* further agree that in the event any one or more of the information, confirmations, declarations stated herein prove to be false, I/we* agree to indemnify in full and hold harmless MBSB, the Share Registrar for the DRP and/or other advisers for the DRP against any or all forms of liabilities, losses, damages, costs (on a solicitor client basis) and claims that may be incurred or suffered by me/us* as a result thereof;
- (vi) The acceptances of entitlements as stated in this DRF are valid and that MBSB, the Share Registrar for the DRP and the other advisers for the DRP would not, by acting on such acceptances, be in breach of any statute, laws or regulations in force in Malaysia or any other relevant jurisdictions as the case may be, to which the above named persons are or might be subject;
- (vii) I/We* am/are* 18 years of age or over and not an undischarged bankrupt; and
- (viii) I/We* have read and understood the terms and conditions stated in the Statement and agree to be bound by the Statement.

Contact telephone number
(during working hours)

 Signature/Authorised Signatory(ies)
 (Corporate Bodies must affix their Common Seal)

**AFFIX MALAYSIAN
 REVENUE STAMP
 OF RM10.00 HERE
 (NOT POSTAGE
 STAMP)**

 House/Office

 Mobile number

Dated this day of 2014

Last date and time to submit the DRF : **Monday, 26 May 2014 at 5.00 p.m.**, or such other date and time as may be extended by the Board at its sole discretion ("**Expiry Date**")

Issuance and allotment of New Shares as well as payment of cash dividend to shareholders : **Thursday, 5 June 2014 ("Payment Date")**

* Please delete whichever is not applicable

NOTES AND INSTRUCTIONS FOR COMPLETING THE DRF

YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE STATEMENT TO WHICH THIS NOE (CONTAINING THE DRF) RELATES IN ITS ENTIRETY BEFORE COMPLETING THE DRF.

- (1) The DRF, duly completed and signed, must be received by Equiniti Services Sdn Bhd ("**Share Registrar for the DRP**"), by post or by hand, not later than **5.00 p.m. on 26 May 2014**, being the Expiry Date of the election offer period, or such other date and time as may be extended by the Board at its sole discretion, at the following address:

Equiniti Services Sdn Bhd
Level 8, Menara MIDF
82 Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Telephone no : 603 – 2166 0933
Fax no : 603 – 2166 0688

Any DRF received by the Share Registrar for the DRP after the date and time stipulated above shall be regarded as null and void and of no legal effect unless the Board in its sole discretion determines otherwise and such shareholder who is entitled to the Final Dividend based on his/her/its entitlement on the Book Closure Date ("**Entitled Shareholder**"), as the case may be, shall be deemed to have elected to receive the Electable Portion in cash. A completed and signed DRF, once received by the Share Registrar for the DRP from you, is irrevocable and shall be binding on you.

- (2) One DRF will be issued in respect of your shareholdings in one CDS account. For each DRF, you can have the option to elect to participate in the DRP and thereby reinvest the entire Electable Portion or a part thereof into New Shares under the Option to Reinvest, and if applicable, to receive the balance of the Electable Portion not reinvested in cash. Accordingly for each DRF, you can elect to exercise the Option to Reinvest in full or partially as stipulated in the DRF or if you do not so elect, you will receive the Electable Portion wholly in cash as stipulated in the DRF.

If you receive more than one DRF and wish to reinvest into New Shares in respect of all or part of your entitlement to the Electable Portion of your shareholding to which the DRFs relate, you must complete all DRFs received and return the completed DRFs to the office of the Share Registrar for the DRP as stated above. Multiple submissions in relation to the same CDS account, or those appearing to be, or suspected of being multiple submissions in relation to the same CDS account, may be rejected at the discretion of the Board, and shall be treated as having elected to receive the Electable Portion in cash.

- (3) The DRF must be completed and signed in accordance with the notes and instructions in the Statement and NOE. DRFs that do not conform to the terms of the Statement and NOE or which are illegible may not be accepted at the sole discretion of the Board. The Board reserves the right at their absolute discretion to reject DRFs which are incomplete, incorrectly completed, damaged and/or illegible and such submitting shareholders shall be treated as having elected to receive their Electable Portion in cash in respect of the rejected DRFs.
- (4) The maximum number of new MBSB Shares available under the Option to Reinvest that is set out in the DRF have been computed based on your shareholding as stated in the Record of Depositors ("**ROD**") and your Final Dividend entitlement as at the Books Closure Date.

If you have not received the DRF or require a replacement, please contact our Share Registrar for a replacement DRF. Alternatively, you can fill up a blank DRF, available for download at Bursa Malaysia Securities Berhad's website: www.bursamalaysia.com and submit the completed DRF to our Share Registrar. Please refer to the restrictions on eligibility to participate in the DRP as set out in Section 3 of the terms and conditions of the Statement.

In the event that you state/insert a number of new MBSB Shares to invest in which is higher than the maximum number of new MBSB Shares available under the Option to Reinvest set out in the DRF/which you are entitled to invest in, you are deemed to have elected to invest in the said maximum number of new MBSB Shares.

- (5) General Instructions:
- (a) All Entitled Shareholders who wish to reinvest the entire Electable Portion or a part thereof into New Shares must sign and submit all the DRFs received by them. All corporations that wish to reinvest the entire Electable Portion or a part thereof into New Shares must complete the DRF under its common seal which must be affixed and witnessed in accordance with its respective Articles of Association or other regulations or under the hand of a duly authorised officer or attorney.
 - (b) Amendments must be clearly legible and should be countersigned by you in full. Any DRF defaced by erasures or any kind of correcting fluid may be rejected at the discretion of the Board and such shareholder shall be treated as having elected to receive the Electable Portion in cash.
 - (c) Once the DRF and remittance have been lodged with our Share Registrar for the DRP, participation shall be irrevocable and will not be subsequently withdrawn.
 - (d) **No cash payment is required** from you should you elect the Option to Reinvest however, a Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on the DRF.
- (6) The New Shares arising from the Option to Reinvest will be issued as fully paid and will be credited into your CDS account as stated in the ROD as at the Books Closure Date.
- (7) The contract arising from your Option to Reinvest shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with the DRF, this NOE and the contract arising from the execution of the DRF.
- (8) No acknowledgement of receipt will be issued in respect of any DRF received. Please note that proof of posting cannot be construed or deemed to be proof of receipt by us of such DRF on or before the last date and time to submit the DRF.