



NEWS RELEASE

THE BANK OF EAST ASIA ON TRACK TO STRENGTHEN AFFIN GROUP

KUALA LUMPUR, September 11, 2007 – AFFIN Holdings Berhad (AFFIN) will be banking on the expertise, technical know-how and reach of the largest independent local bank in Hong Kong, The Bank of East Asia, Limited (BEA), to strengthen the Group's position as one of the leading integrated financial services provider in Malaysia.

In a statement made to Bursa Malaysia today, AFFIN announced that the Minister of Finance, Malaysia (MOF) via Bank Negara Malaysia has approved for AFFIN and BEA to enter into an agreement or arrangement which would result in BEA acquiring interest in shares of AFFIN Bank Berhad, AFFIN Investment Bank Berhad and AFFIN Moneybrokers Sdn Bhd through the subscription of AFFIN's shares via a proposed share placement exercise.

In addition, MOF has also approved for BEA to acquire interest in shares of AXA AFFIN Life Insurance Berhad, AXA AFFIN General Insurance Berhad and AFFIN Insurance Brokers Sdn Bhd via the proposed share placement.

Upon the conclusion of the proposed share placement exercise, BEA will acquire new ordinary shares of RM1.00 each representing up to 15% of the issued and paid up capital of AFFIN.

YBhg. Tan Sri Dato' Lodin Wok Kamaruddin, Managing Director, AFFIN Holdings Berhad, said, "On a short term basis, this exercise will strengthen AFFIN's financial position as the proceeds will be utilized for repayment of borrowings, working capital as well as capital injection into selected subsidiaries within the AFFIN Group."

"On a longer term perspective, the participation of a significant strategic partner such as BEA will enable AFFIN to bolster its capabilities and competitiveness not only in a liberalized financial services landscape in Malaysia but also amongst regional participants of this sector."

According to YBhg. Tan Sri Dato' Lodin, BEA aims to benefit from AFFIN's customer franchise in its bid to enhance its footprint in this high growth region. "It will indeed be a win-win exercise for both parties and we hope to see this exercise contribute to Malaysia's visibility as a significant source for top-notched financial services providers in this region."

"We are confident both parties of this deal are starting on a firm and positive footing for the benefit of the nation," YBhg. Tan Sri Dato' Lodin concluded.

Incorporated in Hong Kong in 1918, BEA is today a provider of comprehensive retail and commercial banking services with total consolidated assets of HK\$343.2 billion (US\$43.9 billion) as at 30th June, 2007. BEA has over 120 branches and SupremeGold Centres in Hong Kong while operating one of most extensive networks of any foreign bank in China, with 50 outlets throughout the country.

AFFIN Holdings Group is a major home-grown financial services conglomerate. The Group's activities focus on commercial, Islamic and investment banking services, money broking, fund management and underwriting of general and life insurance business. The prominent shareholder of AFFIN Holdings is Lembaga Tabung Angkatan Tentera, the nation's premier pension fund manager for the armed forces. As at June 30, 2007 the Group's paid-up capital stands at RM1.3 billion, while the Group's shareholders' funds as of June 30, 2007 stood at RM3.6 billion.

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