

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, banker or other professional adviser immediately.

Bursa Malaysia Securities Berhad has not perused the contents of the Circular in respect of the proposed renewal of shareholders' mandate for the recurrent related party transactions of a revenue or trading nature prior to the issuance of the Circular.

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AFFIN BANK BERHAD

Company No. 197501003274 (25046-T)
(Incorporated in Malaysia under the Companies Act, 2016)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE
AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolution pertaining to the above proposal is set out in the Notice of the Company's Forty-Fifth (45th) Annual General Meeting (AGM) which is included in the Annual Report of the Company for the financial year ended 31 December 2020 together with the Form of Proxy.

The Form of Proxy must be deposited at our share registrar's office, **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Pordium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.

Alternatively, the Form of Proxy may be deposited via TIIH Online at <https://tiah.online> not less than forty-eight (48) hours before the time set for holding the AGM. Please refer to the Administrative Notes for the 45th AGM for further information on electronic submission. The lodging of the Form of Proxy will not preclude you from attending and voting in person remotely at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 31 May 2021 at 2:30 p.m.

Date and time of the AGM : 2 June 2021 at 2.30 p.m.

Broadcast Venue : Level 18
Menara Affin
80 Jalan Raja Chulan
50200 Kuala Lumpur

DEFINITIONS

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

“ABB” or the “Company”	:	AFFIN Bank Berhad
“ABB Shares”	:	Ordinary shares in ABB
“Act”	:	Companies Act, 2016
“AFFIN Holdings”	:	AFFIN Holdings Berhad (Company No. 197501001421), a wholly-owned subsidiary of ABB
“ABB Group” or the “Group”	:	ABB and its subsidiary companies as defined in Section 4 of the Act
“AFFIN Islamic”	:	AFFIN Islamic Bank Berhad (Company No. 200501027372), a wholly-owned subsidiary of ABB
“AFFIN Hwang IB”	:	AFFIN Hwang Investment Bank Berhad (Company No. 197301000792), a wholly-owned subsidiary of ABB
“AHAM”	:	AFFIN Hwang Asset Management Berhad (Company No. 199701014290), a 63% owned subsidiary of AFFIN Hwang IB as at LPD
“AGM”	:	Annual General Meeting
“AXA AFFIN Life”	:	AXA AFFIN Life Insurance Berhad (Company No. 200601003992), a 51% owned joint venture company of ABB
“Board”	:	Board of Directors of ABB
“Boustead”	:	Boustead Holdings Berhad (Company No. 196001000193), a major shareholder of ABB and a 59.42% owned subsidiary of LTAT as at LPD
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Company No. 200301033577)
“CMSA”	:	Capital Market and Services Act, 2007
“Director”	:	Shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the Recurrent Related Party Transactions were agreed upon, a director of ABB (or any other company which its subsidiary) or a Chief Executive Officer of ABB or its subsidiary
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	31 March 2021 being the latest practicable date prior to the printing of this Circular
“LTAT”	:	Lembaga Tabung Angkatan Tentera, a major shareholder of ABB

DEFINITIONS (continued)

“Major Shareholder”	:	A person who is or was within the preceding six (6) months of the date on which the terms of the Recurrent Related Party Transactions were agreed upon, has an interest or interests in one (1) or more voting shares in the Company and the number, or the aggregate number of those shares, is (i) equal to or more than 10% of the total number of voting shares in the Company; or (ii) equal to or more than 5% of the total number of voting shares in the Company where such person is the largest shareholder of the Company For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act and for the purpose of the Proposed Shareholders Mandate, include a major shareholder of ABB or any corporation which is ABB’s subsidiary
“Nikko Asset Management”	:	Nikko Asset Management International Limited, a major shareholder of AHAM with a 27% equity interest as at LPD
“Proposed Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate and proposed new shareholders’ mandate for the ABB Group to enter into Recurrent Related Party Transactions
“Related Party” or “Related Parties”	:	A Director, Major Shareholder or person connected with such Director or Major Shareholder. For the purpose of the Proposed Shareholders’ Mandate, the Related Parties are set out in Section 2.2.1 of this circular
“Recurrent Related Party Transactions”	:	Recurrent related party transactions of a revenue or trading nature which are necessary for the day to day operations and are in the ordinary course of business of the ABB Group, to be entered into by ABB or its subsidiaries with the Related Party(ies) as specified in Section 2.2.2 of this circular
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Share(s)”	:	Ordinary share(s) in ABB
“SGD”	:	Singapore dollars
“2020 Annual Report”	:	Annual report of ABB issued for the financial year ended 31 December 2020

Unless specifically referred to, words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall also include the feminine gender and vice versa.

Any reference in this Circular to any enactment, rules or legislation is a reference to that enactment, rules or legislation currently enforced and as may be amended from time to time and any re-enactment thereof.

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AFFIN BANK BERHAD
(Company No.: 197501003274) (25046-T)
(Incorporated in Malaysia under the Companies Act, 2016)

Registered Office:

17th Floor, Menara Affin
80, Jalan Raja Chulan
50200 Kuala Lumpur

30 April 2021

Board of Directors of ABB:-

Dato' Agil Natt (*Chairman, Independent Non-Executive Director*)
En. Mohd Suffian bin Haji Haron (*Non-Independent Non-Executive Director*)
Dato' Mohd Hata bin Robani (*Independent Non-Executive Director*)
Dato' Abdul Aziz bin Abu Bakar (*Independent Non-Executive Director*)
Mr. Chan Tze Ching Ignatius (*Non-Independent Non-Executive Director*)
Dato' Rozalila binti Abdul Rahman (*Independent Non-Executive Director*)
Mr. Yuen Wai Hung Peter (*Non-Independent Non-Executive Director*)
Puan Marzida binti Mohd Noor (*Independent Non-Executive Director*) (*Appointed w.e.f. 1 March 2020*)
Mr. Gregory Jerome Gerald Fernandes (*Independent Non-Executive Director*) (*Appointed w.e.f. 1 April 2020*)
Ms. Chan Wai Yu (*Independent Non-Executive Director*) (*Appointed w.e.f. 1 April 2021*)

To: The shareholders of ABB

Dear Sir/Madam

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the 44th AGM held on 27 July 2020, the Company had obtained a general mandate from its shareholders for the Company and its subsidiaries to enter into Recurrent Related Party Transactions with Related Parties that are necessary for the day-to-day operations and are in the ordinary course of business carried out on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public.

In this regard, on 28 April 2021, the Board had announced to Bursa Securities that the Company proposes to seek approval from its shareholders for the renewal of shareholders' mandate and new shareholders' mandate for the Company and/or its subsidiaries to enter into the Recurrent Related Party Transactions with the classes of Related Parties at the forthcoming 45th AGM in accordance with Paragraph 10.09 of Chapter 10 of the Listing Requirements.

Pursuant to Paragraph 3.1.4 of Practice Note 12 of the Listing Requirements, the Proposed Shareholders' Mandate, if approved by the shareholders of ABB, will take effect from the date of the passing of the ordinary resolution proposed at the forthcoming 45th AGM and shall apply until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, whereby the authority is renewed; or
- (ii) the expiration of the period within which the next AGM is to be held, pursuant to Section 340(2) of the Act, (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of ABB in a general meeting;

whichever is earlier.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING THERETO TO BE TABLED AT THE FORTHCOMING AGM. AN EXTRACT OF THE NOTICE OF THE AGM IS ENCLOSED IN THIS CIRCULAR FOR YOUR EASE OF REFERENCE.

YOU ARE ADVISED TO READ THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION IN RELATION TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

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2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Particulars

ABB is principally engaged in all aspects of banking and related financial services while the activities of its subsidiary companies as at LPD are as follows:-

Name of Company	Effective equity interest held (%)	Principal Activities
AFFIN Islamic	100.00	Islamic banking business
AFFIN Hwang IB	100.00	Provision of investment banking services
AFFIN Moneybrokers Sdn Bhd	100.00	Money-broking
AXA AFFIN Life	51.00	Underwriting of life insurance business (joint venture company)
AFFIN Holdings	100.00	Investment holdings
PAB Properties Sdn Bhd	100.00	Property management services
ABB Nominee (Tempatan) Sdn Bhd	100.00	Share nominee services
ABB Nominee (Asing) Sdn Bhd	100.00	Dormant
<i><u>Subsidiary companies of AFFIN Hwang IB</u></i>		
AHAM	63.00	Asset management, management of unit trust & private retirement scheme
AFFIN Hwang Nominees (Asing) Sdn Bhd	100.00	Nominee services
AFFIN Hwang Nominees (Tempatan) Sdn Bhd	100.00	Nominee services
AHC Global Sdn Bhd	100.00	Investment holdings
AHC Associates Sdn Bhd	100.00	Investment holdings
AFFIN Hwang Trustee Berhad	100.00 #	Trustee services
<i><u>Subsidiary companies of AHAM</u></i>		
Bintang Capital Partners Berhad	51.00	Private equity management
AIIMAN Asset Management Sdn Bhd	100.00	Islamic fund management
AccelVantage Academy Sdn Bhd	51.00	Training and coaching services

Name of Company	Effective equity interest held (%)	Principal Activities
<i>Subsidiary companies of AHAM (continued)</i>		
AIIMAN Global Equity Fund	59.00	Investment in Shariah-compliant equities
AIIMAN Asia Pacific (ex Japan) Dividend Fund	42.00	Investment in Shariah-compliant equities
AFFIN Hwang AIIMAN Global Sukuk Fund	36.00	Investment in Shariah-compliant fixed income instruments
TradePlus HSCEI Daily (-1x) Inverse Tracker	75.00	Investment in futures contracts
TradePlus HSCEI Daily (-2x) Leveraged Tracker	100.00	Investment in futures contracts
TradePlus NYSE FANG+ Daily (2x) Leveraged Tracker	57.00	Investment in futures contracts
TradePlus NYSE FANG+ Daily (-1x) Inverse Tracker	81.00	Investment in futures contracts
TradePlus DWA Malaysia Momentum Tracker	50.00	Investment in equity instruments
AFFIN Hwang Shariah Gold Tracker Fund	34.00	Shariah-compliant investment in gold

Note:

Shares held equally of 20% each by AFFIN Hwang IB and its subsidiaries, namely, AFFIN Hwang Nominees (Tempatan) Sdn Bhd, AFFIN Hwang Nominees (Asing) Sdn Bhd, AHC Global Sdn Bhd and AHC Associates Sdn Bhd

It is envisaged that the companies within the Group would, in the ordinary course of business, enter into the Recurrent Related Party Transactions as detailed in section 2.2.2 of the Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

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2.2 Classes and nature of the Recurrent Related Party Transactions

2.2.1 Classes of Related Parties

The Proposed Shareholders' Mandate involves the following classes of Related Parties:-

Related Parties	Relationship
1. Interested Directors	
Mohd Suffian bin Haji Haron	A Director of ABB, nominated by LTAT
David Jonathan Semaya	A Director of AHAM, nominated by Nikko Asset Management
Jean Paul Dominique Louis Drouffe	A Director of AXA AFFIN Life, nominated by AXA Asia
2. Interested Major Shareholders	
LTAT	A major shareholder of ABB with 35.24% direct interest and 20.81% indirect interest; and a major shareholder of Boustead with 59.42% direct interest as at LPD
Boustead	A major shareholder of ABB with a 20.81% direct interest and 0.03% indirect interest; and a 59.42% owned subsidiary of LTAT as at LPD
AXA Asia	A major shareholder of AXA-AFFIN Life with 49% indirect interest as at LPD
Nikko Asset Management	A major shareholder of AHAM with a 27% equity interest as at LPD
3. Persons Connected to Interested Directors and Interested Major Shareholders	
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R)	Chairman of LTAT
AXA Group Operations SAS (formerly known as AXA Services SAS)	A wholly-owned subsidiary of AXA SA. AXA SA is the ultimate shareholder of AXA-AFFIN Life
AXA Group Operations Hong Kong Limited [formerly known as AXA Technology Services Asia (HK) Limited]	A wholly-owned subsidiary of AXA Group Operations SAS which in turn is a wholly-owned subsidiary of AXA SA. AXA SA is the ultimate shareholder of AXA-AFFIN Life
AXA Group Operations Malaysia Sdn Bhd (formerly known as AXA Shared Service Centre Malaysia Sdn Bhd)	A wholly-owned subsidiary of AXA Group Operations Hong Kong Limited which in turn is a wholly-owned indirect subsidiary of AXA SA.
AXA Group Operations Spain, SA	A 50% owned associate of AXA Group Operations SAS which in turn is a wholly owned subsidiary of AXA SA. AXA SA is the ultimate shareholder of AXA-AFFIN Life.

Related Parties	Relationship
3. Persons Connected to Interested Directors and Interested Major Shareholders (continued)	
Boustead Curve Sdn Bhd ("Boustead Curve")	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Boustead Hotels & Resorts Sdn Bhd ("Boustead Hotels & Resorts")	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Boustead Petroleum Marketing Sdn Bhd ("Boustead Petroleum")	A 42.3% effectively owned subsidiary of Boustead and a 54.95% effectively owned subsidiary of LTAT
Boustead Properties	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Boustead Travel	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Boustead Weld Quay Sdn Bhd	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Irat Hotels & Resorts Sdn Bhd ("Irat")	A 70% owned subsidiary of Irat Properties Sdn Bhd which in turn is a 85.79% effectively owned subsidiary of LTAT as at LPD
Perbadanan Perwira Niaga Malaysia ("Perwira Niaga")	A wholly-owned corporation of LTAT
Boustead Ikano Sdn Bhd	A 50% owned joint venture company of Mutiara Rini Sdn Bhd which in turn a wholly owned subsidiary of Boustead Properties
Boustead Realty Sdn Bhd ("Boustead Realty")	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead

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2.2.2 Nature of Recurrent Related Party Transactions

The nature of the Recurrent Related Party Transactions, which are to be covered by the Proposed Shareholders' Mandate and the estimated value of the Recurrent Related Party Transactions are as follows:-

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
FOR RENEWAL OF SHAREHOLDERS' MANDATE						
ABB	Perwira Niaga	Rental payment by ABB to Perwira Niaga for office premises, service charge and space for Automated Teller Machine (ATM) payable monthly for a lease term renewable for period ranging from two (2) to three (3) years at various locations	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholder</u> LTAT	200	210	116
	Boustead Travel	Provision of travelling related services to ABB by Boustead Travel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	1,000	1,500	195
	Boustead Properties	Rental payment by ABB to Boustead Properties for office premises and car park payable monthly for a lease term renewable every five (5) years (Menara AFFIN)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	13,000	16,000	9,215

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
ABB (continued)	LTAT	Rental payment by ABB to LTAT for office premises and car park payable monthly for a lease term renewable every three (3) years (Bangunan LTAT)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholder</u> LTAT	360	380	238
	Boustead Curve	Rental payment by ABB to Boustead Curve for office premises, car parking and utilities charges payable monthly for a lease term renewable every three (3) years and payment for other related services (The Curve)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	250	260	159
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided by Boustead Hotels & Resorts to ABB for staff in-house training and other expenses	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	1,000	1,200	62
	Boustead Hotels & Resorts	Rental payment by ABB to Boustead Hotels & Resorts for space of ATM machine payable monthly at The Royale Chulan Kuala Lumpur Hotel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	20	30	9

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
ABB (continued)	Boustead Petroleum	LED advertising charges and related expenses payable by ABB to Boustead Petroleum	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	100	100	28
	Boustead Petroleum	Rental payment by ABB to Boustead Petroleum for space of ATM machine payable monthly at various BHP petrol stations	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	250	250	142
	Boustead Ikano Sdn Bhd	Rental payment by ABB to Boustead Ikano Sdn Bhd for branch premises payable monthly for a lease term renewable every three (3) years (MyTown branch)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	400	380	228
	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R)	Rental payment by ABB to Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) for branch premises payable monthly for a lease term renewable every three (3) years (Kulai branch)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholder</u> LTAT	80	80	45

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
ABB (continued)	Boustead Weld Quay Sdn Bhd	Hotel facilities and refreshment provided by Boustead Weld Quay Sdn Bhd to ABB for staff in-house training and other expenses at Royale Chulan Penang Hotel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	10	10	3
AFFIN Islamic	Boustead Travel	Provision of travelling related services to AFFIN Islamic by Boustead Travel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	100	200	8
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided by Boustead Hotels & Resorts to AFFIN Islamic for staff in-house training and other expenses	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	10	10	-
AFFIN Hwang IB	Boustead Realty	Rental payment by AFFIN Hwang IB to Boustead Realty for office premises, car parking and utilities charges payable monthly for a lease term renewable every three (3) years and payment for other related services (Menara Boustead)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	2,200	3,150	1,833

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Hwang IB (continued)	Boustead Travel	Provision of travelling related services to AFFIN Hwang IB by Boustead Travel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	1,500	1,500	10
	Boustead Petroleum	Petrol consumption by AFFIN Hwang IB payable to Boustead Petroleum	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	40	40	-
	Irat	Rental payment by AFFIN Hwang IB to Irat for office premises, car parking and utilities charges payable monthly for a renewable lease term every three (3) years and payment for other related services (Chulan Tower)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	2,600	3,180	1,705
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided by Boustead Hotels & Resorts to AFFIN Hwang IB for staff in-house training and other expenses	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	450	450	7

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Hwang IB (continued)	Boustead Weld Quay Sdn Bhd	Hotel facilities and refreshment provided by Boustead Weld Quay Sdn Bhd to AFFIN Hwang IB for staff in-house training and other expenses at Royale Chulan Penang Hotel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	180	200	4
AHAM	LTAT	Management fees payable by LTAT to AHAM	<u>Interested Director</u> Mohd Suffian bin Haji Haron, <u>Interested Major Shareholder</u> LTAT	500	500	191
	Boustead Travel	Provision of travelling related services to AHAM by Boustead Travel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	1,000	1,500	5
	Boustead Hotels and Resorts	Hotel facilities and refreshment provided by Boustead Hotels & Resorts to AHAM for staff in-house training and other expenses	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	200	200	-

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AHAM (continued)	Boustead Realty	Rental payment by AHAM to Boustead Realty for office premises and car park payable monthly for a lease term renewable every three (3) years and payment for other related services (Menara Boustead)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	4,800	3,800	2,310
	Nikko Asset Management	Management fees payable by AHAM to Nikko Asset Management	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	3,000	1,000	1,077
	Nikko Asset Management	Advisory fees payable by AHAM to Nikko Asset Management	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	2,500	1,500	879
	Nikko Asset Management	Commission and other fees payable by Nikko Asset Management to AHAM	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	2,800	3,500	2,471

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Moneybrokers	Boustead Realty	Rental payment by AFFIN Moneybrokers to Boustead Realty for office premises and car park payable monthly for a lease term renewable every three (3) years and payment for other related services (Menara Boustead)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	700	700	287
	Boustead Travel	Provision of travelling related services to AFFIN Moneybrokers by Boustead Travel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	200	200	50
AXA AFFIN Life	Irat	Rental payment by AXA AFFIN Life to Irat payable monthly for office premises, car park and utilities charges for lease term renewable every year and payment for other related services (Chulan Tower)	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	2,000	2,000	1,357
	AXA Asia	Provision of information technology and other support services by AXA Asia to AXA AFFIN Life	<u>Interested Director</u> Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia	1,000	1,200	467

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AXA AFFIN Life (continued)	AXA Group Operations Hong Kong Limited	Provision of information technology and other support services by AXA Group Operations Hong Kong Limited to AXA AFFIN Life	<u>Interested Director</u> Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia	12,000	12,000	7,413
	AXA Group Operations Hong Kong Limited	Software development and license fees charged by AXA Group Operations Hong Kong Limited to AXA AFFIN Life	<u>Interested Director</u> Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia	5,200	5,000	3,046
	Boustead Travel	Provision of travelling related services to AXA AFFIN Life by Boustead Travel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	500	800	-
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided by Boustead Hotels & Resorts to AXA AFFIN Life for staff in-house training and other expenses	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	200	200	6

ABB Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 26 June 2020 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AXA AFFIN Life (continued)	AXA Group Operations SAS	Provision of information technology services and license subscription by AXA Group Operations SAS to AXA AFFIN Life	<u>Interested Director</u> Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia	1,000	300	28
	AXA Group Operations Malaysia Sdn Bhd	Provision of actuarial services by AXA Group Operations Malaysia Sdn Bhd to AXA AFFIN Life	<u>Interested Director</u> Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia	2,000	2,000	1,056
AIIIMAN Asset Management	Boustead Travel	Provision of travelling related services to AIIIMAN Asset Management by Boustead Travel	<u>Interested Director</u> Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead	20	20	-
	Nikko Asset Management	Advisory fees payable by AIIIMAN Asset Management to Nikko Asset Management	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	240	225	125
Sub-total				63,610	65,775	34,775

ABB Group	Related Party	Nature of transaction	Interested Directors/Major Shareholders/ person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾	Estimated aggregate value of transaction from date of 45 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)
FOR NEW SHAREHOLDERS' MANDATE				
AXA AFFIN Life	AXA Group Operations Spain, S.A.	Provision of information technology and other support services to AXA AFFIN Life	<u>Interested Director</u> Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia	300
AIIMAN Asset Management	Nikko Asset Management	Provision of management fees services by AIIMAN Asset Management to Nikko Asset Management	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	180
Sub-total				480
GRAND TOTAL				64,090

Notes:

- (i) The nature of relationship with the Related Party is outlined in section 2.2.1 of this Circular.
- (ii) The estimated aggregate value of transactions are derived from the sums incurred or received during the past year, based on normal level of transactions entered into by the Group. However, the actual value of these transactions may differ from the estimated value stated which is subject to change.

2.3 The outstanding amount owing by Related Parties pursuant to Recurrent Related Party Transactions

There were neither amounts owing by the Related Parties to ABB Group as at LPD which exceeded the credit terms nor any late payment charges imposed on them pursuant to the Recurrent Related Party Transactions.

2.4 Basis of estimates

The abovementioned estimated values in respect of each transaction referred to above are based on prevailing prices obtained from the Related Parties which are reasonable market-competitive prices and are derived from the sums incurred or received during the past year, based on the normal level of transactions entered into by the Group. The estimated amounts are further based on the assumptions that current level of operations will continue, and all external conditions remain constant.

2.5 Review procedures in relation to Recurrent Related Party Transactions

The ABB Group has internal control systems to ensure that the Recurrent Related Party Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are not more favourable to the Related Parties than those extended to third parties/public and are not to the detriment of the minority shareholders.

To monitor the Recurrent Related Party Transactions, the procedures adopted by the ABB Group are as follows:-

- (a) a list of the Related Parties is circulated within the ABB Group and all Related Parties are notified that all Recurrent Related Party Transactions are required to be undertaken on normal commercial terms;
- (b) the Recurrent Related Party Transactions would be reviewed by the senior management of ABB or its subsidiary companies before they are entered into to ensure that the terms are not more favourable than those generally available to the public;
- (c) at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities;

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Board Audit Committee in its review of the Recurrent Related Party Transactions may, as it deems fit and whenever available, request for additional information pertaining to the transactions from independent sources or advisers and that the Recurrent Related Party Transactions are not detrimental to the ABB Group;

- (d) the annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals from the Board and shareholders have been obtained and review procedures are followed;

- (e) the Board and the Board Audit Committee shall review the internal audit reports to ascertain that the procedures established to monitor Recurrent Related Party Transactions have been complied with;
- (f) if a member of the Board or of the Board Audit Committee has an interest in any Recurrent Related Party Transactions, as the case may be, he/she shall abstain from any deliberation and decision making by the Board or Board Audit Committee in respect of the said transactions;
- (g) There are no specific thresholds for approval of Recurrent Related Party Transactions within the ABB Group. However, all Recurrent Related Party Transactions are subject to the approval of the appropriate levels of authority as determined by senior management and/or the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary;
- (h) a register shall be maintained by the Company to record all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate; and
- (i) save as stated above, the transaction prices, terms and conditions are determined by market forces and are comparable to those applicable transactions with the public, which depend on the demand and supply of the products and services. The rental of the properties is determined by negotiated rates, after taking into account the prevailing market rates for the same or substantially similar properties in terms of space occupied and amenities/facilities offered and are on normal commercial terms.

2.6 Board Audit Committee Statement

The Board Audit Committee has seen and reviewed the procedures mentioned in Section 2.5 above and is satisfied that the review procedures for the Recurrent Related Party Transactions, as well as the annual review to be made by the Board Audit Committee in relation thereto, are sufficient to ensure that the Recurrent Related Party Transactions:-

- (a) will be made at arm's length and in accordance with the Company's normal commercial terms; and
- (b) not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders and the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner.

The Board Audit Committee shall annually review the Recurrent Related Party Transactions and also review the established guidelines and procedures to ascertain that they have been complied. If during the periodic review, the Board Audit Committee is of the opinion that the guidelines and procedures are not sufficient to ensure that the Recurrent Related Party Transactions will be conducted at arm's length basis and on normal commercial terms in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and will not be prejudicial to the shareholders or disadvantageous to the Company, the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures.

2.7 Disclosure in Annual Report

Disclosure will be made in the Company's annual report in respect of transactions conducted pursuant to the Proposed Shareholders' Mandate. In accordance with applicable approved accounting standards in Malaysia and Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, the annual report will set out a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:-

- (a) the type of the Recurrent Related Party Transactions made; and
- (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

2.8 Effects of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate is not expected to have any material effects on the earnings per share and net assets at the Group level, issued and paid-up share capital and substantial shareholders' shareholdings of the Company.

3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE

The rationale for the Proposed Shareholders' Mandate is as follows:-

- (a) the Proposed Shareholders' Mandate will empower the Company and/or its subsidiaries to enter into transactions with Related Parties which are necessary in day-to-day operations of the Group, undertaken at arm's length, normal commercial terms, on terms not more favourable to the Related Party than those generally made available to the public and are not detrimental to the minority shareholders;
- (b) the Proposed Shareholders' Mandate will substantially reduce the expenses associated with convening of general meetings on ad-hoc basis and hence will reduce the expenses associated therewith; and
- (c) the Recurrent Related Party Transactions entered into by the Group are intended to meet business needs at the best possible terms which will be of benefit to all the companies within the ABB Group.

4. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the non-interested shareholders of the Company at the forthcoming AGM.

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5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

The direct and indirect shareholdings of the interested Directors and interested Major Shareholders in ABB and person connected to the Major Shareholders as per the Register of Directors' Shareholdings and Register of Substantial Shareholders and Record of Depositors as at LPD are as follows:-

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Interested Directors</u>				
Mohd Suffian bin Haji Haron	-	-	-	-
David Jonathan Semaya	-	-	-	-
Jean Paul Dominique Louis Drouffe	-	-	-	-
<u>Interested Major Shareholders</u>				
LTAT	732,822,081	35.24	433,349,333 [@]	20.84
Boustead	432,816,893	20.81	532,440 [@]	0.03
Nikko Asset Management	-	-	-	-
AXA Asia	-	-	-	-
<u>Person Connected to Major Shareholders</u>				
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R)	42,058	*	-	-

Notes:

@ Deemed interested pursuant to Section 6(a) of the Act

* Insignificant

The aforementioned interested Directors, where applicable, had abstained and will continue to abstain from all deliberations and voting on the relevant resolutions in relation to the Proposed Shareholders' Mandate at the Company's Board meetings and at the AGM to be convened.

The aforementioned interested Directors and Major Shareholders will abstain and have undertaken to ensure that the persons connected to them, if any, will also abstain from voting in respect of their direct and indirect shareholdings on the resolution pertaining to the Proposed Shareholders' Mandate at the AGM to be convened.

Save as disclosed above, none of the other Directors and Major Shareholders or any persons connected with the Directors and/or Major Shareholders as defined in the Listing Requirements have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

6. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Shareholders' Mandate, the Board (save and except for the interested Directors, who are deemed interested in the Proposed Shareholders' Mandate and have abstained from giving an opinion in respect of the Proposed Shareholders' Mandate) is of the opinion that the Proposed Shareholders' Mandate is in the best interest of ABB and its shareholders.

Accordingly, the Board (save and except for the interested Directors of ABB, who are deemed interested in the Proposed Shareholders' Mandate and have abstained from recommending in respect of the Proposed Shareholders' Mandate) recommend that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

7. AGM

The AGM of the Company, the notice of which is enclosed in the 2020 Annual Report will be broadcasted live from **Level 18, Menara Affin, 80, Jalan Raja Chulan, 50200 Kuala Lumpur** on Wednesday, 2 June 2021 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Shareholders' Mandate.

If you are unable to participate and vote at the AGM, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon and forward it to our share registrar's office, **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Pordium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.

Alternatively, the Form of Proxy may be deposited via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time set for holding the AGM. Please refer to the Administrative Notes for the 45th AGM for further information on electronic submission.

The completion and lodgement of the Form of Proxy will not preclude you from participating and voting in person remotely at the AGM should you subsequently decide to do so.

8. FURTHER INFORMATION

Shareholders are requested to refer to **Appendix I** for further information.

Yours faithfully
For and on behalf of the Board
AFFIN BANK BERHAD

GREGORY JEROME GERALD FERNANDES
Independent Non-Executive Director

APPENDIX I: FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

ABB and/or its subsidiary companies have not entered into any material contract outside the ordinary course of business, during the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION

a) ABB

A claim by the Plaintiff against the Bank vide Writ of Summons and Statement of Claim dated 22 January 2016 ('Writ') for the following:-

- (i) RM56,885,317.82 together with interest at 5% per annum from 1999 till full settlement as alleged damages;
- (ii) SGD9,928,473.75 together with interest at 5% per annum from 2013 till full settlement as alleged losses;
- (iii) RM776,331.00 being alleged losses of Plaintiff's shares in Berlian Ferries Pte. Ltd which was transferred out as a result of his bankruptcy in 2013 with interest at 5% per annum from 2013 till full settlement as alleged losses;
- (iv) RM500,000 as cost in respect of legal proceedings in Singapore.

The Bank had on 25 January 1996 given Suria Barisan (M) Sdn Bhd ('Suria') a credit facility of RM21.6 million ('Facility') against security of unquoted shares belonging to Naval Dockyard Sdn Bhd and guaranteed by the Plaintiff and Puan Norashikin Binti Abdul Latiff ('Guarantor').

Suria, the Plaintiff and the Guarantor ('All') defaulted in the Facility which led to the Bank filing a debt recovery action against All of them in 1999. Judgement was obtained against All on 8 July 2004.

The Plaintiff was made bankrupt on 17 January 2013. The bankruptcy was set aside in September 2015 on the grounds that he was solvent due to a third party, Chenet Finance Ltd ('Chenet') being ordered by a Singapore Court to pay damages to the Director General of Insolvency Malaysia ('DGI') as receiver of Plaintiff's Estate. On 29 January 2019, the full trial of the suit has been fixed on 27, 28 and 29 August 2019.

On 30 July 2019, the Court fixed the Case Management on 15 August 2019. Hearing was part heard on 27 August 2019 and was postponed to 2 October 2019 which was further postponed to 16 and 17 October 2019 as Plaintiff was admitted to hospital. On 16 October 2019, the trial dates were vacated as the presiding Judge informed that he will be transferred, and a new Judge will take over the matter.

On 5 December 2019, matter came up for Case Management before the new Judge, YA Dato' Ahmad bin Bache (who took over the matter from the previous Judge), whereby the Court fixed new trial dates on 25 to 28 March 2019 and 8 to 11 April 2019. On 11 April 2019, the Plaintiff requested for an adjournment as he was unwell. The High Court fixed 23 May 2019 for Case Management for parties to update on mediation efforts. Mediation was unsuccessful.

However, as the Federal Court reinstated his bankruptcy on 26 August 2019, the hearings at the High Court cannot proceed until sanction from the DGI has been obtained. Sanction of the DGI was obtained on 6 December 2019. Next Case Management date fixed on 22 January 2020. The trial dates on 13 to 15 April 2020 vacated due to the Movement Control Order ("MCO"). Due to the Plaintiff's bankruptcy status, the Bank has filed for the security for costs.

The case management for the security for costs application was adjourned to 15 March 2021 due to MCO 2.0. The continued trial fixed on 5 to 8 April 2021 was vacated. The Court has granted an interim stay of the High Court proceeding pending disposal of the Bank's stay application. The stay application is fixed for case management on 14 June 2021.

The Plaintiff's claim ('Claim') is premised on alleged wrongful acts by the Bank as follows:-

- failure to sell 7.2 million shares in Naval Dockyard Sdn Bhd ('NDSB shares') which was pledged by Suria to the Bank as security for the Facility on a timely basis. On this claim, Plaintiff claims damages under (i) above;
- allowed the release of the Guarantor from her liability upon payment of a certain sum pursuant to her Guarantee without giving the same opportunity to the Plaintiff;
- the Bank had corresponded with the opponent of Plaintiff in Singapore to prevent the Plaintiff from claiming his assets in Singapore. Plaintiff has alleged conspiracy between the Bank and the opponent of the Plaintiff in Singapore. On this claim, Plaintiff claims losses under (ii) above;
- the Bank had wrongfully made Plaintiff a bankrupt in 2013 which bankruptcy was set aside in 2015. On this claim, Plaintiff claims losses under (iii) above;
- the Plaintiff is also claiming the amount of (iv) above being cost of proceedings incurred by him in Singapore.

The Bank has a good defence ('Defence') on the merits with regard to each of the alleged wrongful act as follows:-

- the sale of NDSB shares was subject to the approval from the relevant authorities as per the terms of the Facility Agreement and the price has to be based on the offer from the approved prospective buyer;
- the release of the Guarantor is the prerogative of the Bank pursuant to the terms of the Guarantee Agreement;
- the Plaintiff's bankruptcy is based on a judgement of Court;
- the Bank's legal firm has corresponded with the legal firm of the Plaintiff's opponent in Singapore only to inform the status of the Plaintiff proceedings in Malaysia and any alleged conspiracy is denied;
- the Claim for cost is unreasonable as the Bank was not in any way involved in the Singapore proceedings.

The Claim against the Bank by the Plaintiff is as a result of the Debt Recovery Action against the Plaintiff which was commenced in the ordinary course of business.

The Board of Directors of the Bank are of the view that save for the orders, cost and other relief sought by the Plaintiff, which will only materialise if the Court rules in the Plaintiff's favour, the Writ and Statement of Claim is not expected to result in any immediate losses, material, financial and operational impact on the Bank for the period under review.

- b) Other than the above, neither ABB nor any of its subsidiaries is engaged in any material litigation, claim or arbitration outside the ordinary course of business either as plaintiff or defendant and the Directors of ABB do not have any knowledge of proceedings pending or threatened against ABB and/or its subsidiaries, of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of ABB and/or its subsidiaries.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 17th Floor, Menara Affin, 80, Jalan Raja Chulan, 50200 Kuala Lumpur during normal business hours from the date hereof up to and including the date of the forthcoming AGM:-

- (i) the Constitution of ABB;
- (ii) the audited consolidated financial statements of ABB for the last two (2) financial years ended 31 December 2019 and 2020; and
- (iii) the relevant cause papers in respect of the material litigation referred to in Section 3 above.

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EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

"THAT authority be and is hereby given in line with Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, for AFFIN Bank Berhad ("Company"), its subsidiaries or any of them to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particulars of which are set out in the Circular to Shareholders dated 30 April 2021 with the Related Parties as described in the said Circular, provided that such transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company;

AND THAT such authority shall commence immediately upon the passing of this Ordinary Resolution until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, whereby the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company which is to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (iii) revoked or varied by resolution passed by the shareholders of ABB in a general meeting,

whichever is earlier.

AND FURTHER THAT the Board of Directors be and is hereby authorised to do all acts, deeds and things as may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Shareholders' Mandate in the best interest of the Company."

Note:

The above resolution is for information purposes only. Please refer to the Notice of the Forty-Fifth (45th) AGM as set out in the 2020 Annual Report of the Company.