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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.

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AFFIN HOLDINGS BERHAD

(Company No. 23218-W)

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS
in relation to the**

**PROPOSED RENEWAL OF 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 Thirty-Eighth (38th) Annual General Meeting (AGM) which is attached in the Annual Report of the Company for the financial year ended 31 December 2013 together with the Form of Proxy. The Form of Proxy must be lodged at the registered office of the Company at 7th Floor, Chulan Tower, 3 Jalan Conlay, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time stipulated for holding the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	19 April 2014 at 10.00 a.m.
Date and time of the AGM	:	21 April 2014 at 10.00 a.m.
Venue of AGM	:	Taming Sari Grand Ballroom, The Royale Chulan Hotel, 5 Jalan Conlay, 50450 Kuala Lumpur

This Circular is dated 28 March 2014

DEFINITIONS

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

“AACF”	:	AFFIN-ACF Holdings Sdn Bhd (347428-X), a wholly-owned subsidiary of AFFIN
“ABB”	:	AFFIN Bank Berhad (25046-T), a wholly-owned subsidiary of AFFIN
“Act”	:	Companies Act, 1965, as may be amended from time to time and any re-enactment thereof
“AFFIN” or the “Company”	:	AFFIN Holdings Berhad (23218-W)
“AFFIN Fund”	:	AFFIN Fund Management Berhad (22728-T) a wholly-owned subsidiary of AFFIN Investment which in turn is a wholly-owned subsidiary of AFFIN
“AFFIN Group” or the “Group”	:	AFFIN and its subsidiary companies as defined in Section 5 of the Act
“AFFIN Islamic”	:	AFFIN Islamic Bank Berhad (709506-V), a wholly-owned subsidiary of ABB which in turn is a wholly-owned subsidiary of AFFIN
“AFFIN Investment”	:	AFFIN Investment Bank Berhad (9999-V), a wholly-owned subsidiary of AFFIN
“AGM”	:	Annual General Meeting
“AXA AFFIN Life”	:	AXA AFFIN Life Insurance Berhad (723739-W), a 51% owned jointly controlled entity of AFFIN
“Board”	:	Board of Directors of AFFIN
“Boustead”	:	Boustead Holdings Berhad (3871-H), a major shareholder of AFFIN and a 58.69% owned subsidiary of LTAT as at LPD
“Boustead REIT”	:	Boustead REIT Managers Sdn Bhd (90953-K), a 61.80% effectively owned subsidiary of LTAT as at LPD
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“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 AFFIN (or any other company which is its subsidiary or holding company) or a chief executive officer of AFFIN, its subsidiary or holding company
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities and all amendments thereto

DEFINITIONS (continued)

“LPD”	:	28 February 2014 being the latest practicable date prior to the printing of this Circular
“LTAT”	:	Lembaga Tabung Angkatan Tentera, a major shareholder of AFFIN
“Major Shareholder”	:	<p>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 a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is</p> <p>(i) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the company; or</p> <p>(ii) equal to or more than not less than 5% of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the company</p> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act and for the purpose of the Proposed Shareholders Mandate, include a major shareholder of AFFIN or any corporation which is AFFIN’s subsidiary or holding company</p>
“Perwira Niaga”	:	Perbadanan Perwira Niaga Malaysia, a wholly-owned corporation of LTAT
“Proposed Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate for the AFFIN Group to enter into 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 Group
“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 AFFIN Group as specified in Section 2.2.2 of this circular
“Related Party Transactions”	:	A transaction entered into by the listed issuer or its subsidiaries which involve the interest, direct or indirect of a Related Party
“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
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Share(s)”	:	Ordinary share(s) of RM1.00 each in AFFIN
“2013 Annual Report”	:	Annual report of AFFIN issued for the financial year ended 31 December 2013

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.

CONTENTS

**LETTER TO SHAREHOLDERS OF AFFIN IN RELATION TO THE PROPOSED
SHAREHOLDERS' MANDATE**

	PAGE
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE	2
3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE	23
4. APPROVAL REQUIRED	23
5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM	24
6. DIRECTORS' RECOMMENDATION	25
7. AGM	25
8. FURTHER INFORMATION	25

APPENDIX I: FURTHER INFORMATION



AFFIN HOLDINGS BERHAD
(Company No. 23218-W)
(Incorporated in Malaysia)

Registered Office:

7th Floor, Chulan Tower
3, Jalan Conlay
50450 Kuala Lumpur

28 March 2014

Board of Directors of AFFIN:

Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin (*Chairman, Non-Independent Non-Executive Director*)

Tan Sri Dato' Seri Lodin bin Wok Kamaruddin (*Deputy Chairman, Non-Independent Non-Executive Director*)

Raja Dato' Seri Aman bin Raja Haji Ahmad (*Independent Non-Executive Director*)

Dato' Mustafa bin Mohamad Ali (*Independent Non-Executive Director*)

Abd Malik bin A Rahman (*Independent Non-Executive Director*)

Tan Sri Dato' Seri Alauddin bin Dato' Mohd. Sheriff (*Independent Non-Executive Director*)

Professor Arthur Li Kwok Cheung (*Non-Independent Non-Executive Director*)

Ignatius Chan Tze Ching (*Non-Independent Non-Executive Director*) (*Appointed on 6 August 2013*)

Rosnah binti Omar (*Independent Non-Executive Director*) (*Appointed on 5 February 2014*)

Peter Yuen Wai Hung (*Alternate Director to Professor Arthur Li Kwok Cheung*)

Adrian David Li Man Kiu (*Alternate Director to Ignatius Chan Tze Ching*)

To: The shareholders of AFFIN

Dear Sir / Madam

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the 37th AGM held on 22 April 2013, 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.

The said general mandate for Recurrent Related Party Transactions shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 38th AGM unless authority for its renewal is obtained from the shareholders of the Company at the said AGM.

In this regard, on 27 March 2014, the Board had announced to Bursa Securities that the Company proposes to seek approval from its shareholders for the renewal of general 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 38th 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 AFFIN, will take effect from the date of the passing of the ordinary resolution proposed at the forthcoming 38th 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 143(1) of the Act, (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of AFFIN 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.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Principal activities of AFFIN Group

AFFIN is principally an investment holding company while the activities of its subsidiary companies as at LPD are as follows:-

Name of company	Effective equity interest held (%)	Principal activities
ABB	100.00	Provision of commercial banking and hire purchase services
AFFIN Investment	100.00	Provision of investment banking services
AFFIN Moneybrokers Sdn Bhd	100.00	Money-broking
AACF	100.00	Investment holding
AFFIN Capital Sdn Bhd	100.00	In members' voluntary winding-up
AXA AFFIN Life	51.00	Underwriting of life insurance business (jointly controlled entity)

Name of company	Effective equity interest held (%)	Principal activities
<i><u>Subsidiary companies of ABB</u></i>		
AFFIN Islamic	100.00	Islamic banking services
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	Share nominee services
ABB Trustee Berhad #	100.00	Trustee management services
AFFIN Factors Sdn Bhd	100.00	Dormant
PAB Property Development Sdn Bhd	100.00	Dormant
PAB Property Management Services Sdn Bhd	100.00	Dormant
ABB Venture Capital Sdn Bhd	100.00	Dormant
AFFIN Futures Sdn Bhd	100.00	Dormant
ABB IT & Services Sdn Bhd	100.00	Dormant
BSNCB Nominees (Tempatan) Sdn Bhd	100.00	Dormant
BSNC Nominees (Tempatan) Sdn Bhd	100.00	Dormant
BSN Merchant Nominees (Asing) Sdn Bhd	100.00	Dormant
AFFIN-ACF Nominees (Tempatan) Sdn Bhd	100.00	Dormant
AFFIN-i Nadayu Sdn Bhd	50.00	Property Development (Jointly controlled entity)
KL South Development Sdn Bhd	30.00	Property Development (Jointly controlled entity)
<i>Note:</i>		
# 80% held by ABB's directors in trust for ABB		

Name of company	Effective equity interest held (%)	Principal activities
<i><u>Subsidiary companies of AFFIN Investment</u></i>		
AFFIN Fund	100.00	Asset management and management of unit trust
AFFIN Nominees (Tempatan) Sdn Bhd	100.00	Nominees services
AFFIN Nominees (Asing) Sdn Bhd	100.00	Nominees services
Merchant Nominees (Tempatan) Sdn Bhd	100.00	In members' voluntary winding-up
Classic Precision Sdn Bhd	66.89	In members' voluntary winding-up
<i><u>Subsidiary companies of AACF</u></i>		
AFFIN-ACF Capital Sdn Bhd	100.00	In members' voluntary winding-up

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.

2.2 Classes and nature of the Recurrent Related Party Transactions

2.2.1 Classes of Related Parties

The Proposed Shareholders' Mandate will apply to transactions with the following classes of Related Parties:-

Related Parties	Relationship
1. Interested Directors	
Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin	Chairman of AFFIN, nominated by LTAT
Tan Sri Dato' Seri Lodin bin Wok Kamaruddin	Common Director of AFFIN, ABB, AFFIN Islamic, AFFIN Investment, AXA AFFIN Life, Boustead, Boustead Properties Berhad ("Boustead Properties"), Boustead Travel Services Sdn Bhd ("Boustead Travel"), Boustead REIT, Boustead Hotels & Resorts Sdn Bhd, Boustead Petroleum Marketing Sdn Bhd and Chief Executive of LTAT
Kevin John Wright (Resigned on 2 Jan 2014)	A Director of AXA AFFIN Life, nominated by AXA Asia Pacific Ltd

Related Parties	Relationship
1. Interested Directors (continued)	
Loke Kah Meng	Chief Executive Officer/Managing Director of AXA AFFIN Life, nominated by AXA Asia Pacific Ltd
Professor Arthur Li Kwok Cheung	A Director of AFFIN, nominated by The Bank of East Asia, Limited
Ignatius Chan Tze Ching	A Director of AFFIN, nominated by The Bank of East Asia, Limited
Adrian David Li Man Kiu	An Alternate Director of AFFIN, nominated by The Bank of East Asia, Limited
Peter Yuen Wai Hung	An Alternate Director of AFFIN, nominated by The Bank of East Asia, Limited
2. Interested Major Shareholders	
LTAT	A major shareholder of AFFIN with 35.18% direct interest and 20.69% indirect interest and a major shareholder of Boustead with 58.69% direct interest as at LPD
Boustead	A major shareholder of AFFIN with a 20.69% direct interest and a 58.69% owned subsidiary of LTAT as at LPD
The Bank of East Asia, Limited	A major shareholder of AFFIN with 23.52% direct interest as at LPD
AXA Asia Pacific Ltd	A major shareholder of AXA AFFIN Life
3. Persons Connected to Interested Directors and Interested Major Shareholders	
Boustead	A major shareholder of AFFIN with a 20.69% direct interest and a 58.69% owned subsidiary of LTAT as at LPD
Boustead Properties	A wholly-owned subsidiary of Boustead
Boustead Advertising Sdn Bhd ("Boustead Advertising")	A wholly-owned subsidiary of Boustead
Boustead Management Services Sdn Bhd ("BMS")	A wholly-owned subsidiary of Boustead
Boustead Realty Sdn Bhd ("Boustead Realty")	A wholly-owned subsidiary of Boustead Properties which is turn is a wholly-owned subsidiary of Boustead
Boustead Travel	A wholly-owned subsidiary of Boustead

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 Information Technology Sdn Bhd ("Boustead Information Technology")	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 41.9% owned subsidiary of Boustead and a 54.57% effectively owned subsidiary of LTAT as at LPD
Irat Hotels & Resorts Sdn Bhd ("Irat")	A 70% owned subsidiary of Irat Properties Sdn Bhd which in turn is a 98.83% effectively owned subsidiary of LTAT as at LPD
Perwira Niaga	A wholly-owned corporation of LTAT
Boustead REIT	A 61.80% effectively owned subsidiary of LTAT as at LPD
Tricor Investor Services Sdn Bhd ("Tricor Investor Services")	A wholly owned subsidiary of Tricor Services (M) Sdn Bhd which in turn is an indirect subsidiary of The Bank of East Asia, Limited
Sure Reach Tricor Record Management Sdn Bhd ("Sure Reach Tricor Record")	A wholly owned subsidiary of The Bank of East Asia, Limited

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:-

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
FOR RENEWAL OF SHAREHOLDERS' MANDATE						
AFFIN	BMS	Provision of share registrar services to AFFIN	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	70	70	41
	Irat	Rental payment by AFFIN for office premises, car park and utilities charges payable monthly for a lease term renewable every three (3) years and payment for other related services	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	890	840	760

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN (continued)	Boustead Travel	Provision of travelling related services to AFFIN	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	360	290	15
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AFFIN	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	340	190	220 [see note (iii) & (v)]
	Boustead Advertising	Advertisement in media and other services provided to AFFIN	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	40	50	29

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN (continued)	Tricor Investor Services	Special registrar services provided to AFFIN	<u>Interested Directors</u> Professor Arthur Li Kwok Cheung, Ignatius Chan Tze Ching, Adrian David Li Man Kiu and Peter Yuen Wai Hung <u>Interested Major Shareholder</u> The Bank of East Asia, Limited	140	210	4
	Boustead Information Technology	Provision for information technology support services and facility for external storage to AFFIN	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	20	10	2
	Boustead	Provision of training for Directors and staff in the Group	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	50	60	-

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
ABB	Perwira Niaga	Rental payment for office premises, service charge and space for Automated Teller Machine (ATM) at various locations for a lease period ranging from two (2) to three (3) years	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	150	140	118
	Boustead Travel	Provision of travelling related services to ABB	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,700	900	1,292 [see note (iv) & (v)]
	Boustead Properties	Rental payment by ABB for office premises and car park payable monthly for a lease term renewable every five (5) years (Menara AFFIN)	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	12,700	12,190	10,158

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
ABB (continued)	LTAT	Rental payment by ABB for office premises and car park payable monthly for a lease term renewable every three (3) years	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	260	260	219
	Boustead Curve	Rental payment by ABB for office premises, car parking and utilities charges for a lease term renewable every three (3) years and payment for other related services (The Curve)	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	150	140	41
	Boustead Advertising	Advertisement in media and other services provided to ABB	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	30	30	24

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
ABB (continued)	Boustead Hotels & Resorts	i. Hotel facilities and refreshment provided to ABB ii. Rental payment by ABB for space of ATM machine at The Royale Chulan Kuala Lumpur Hotel	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	650	530	563
	Boustead Petroleum	i. LED advertising charges and related expenses to ABB ii. Rental payment by ABB for space of ATM machine at BHP petrol stations	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	90	90	71
AFFIN Islamic	Boustead Travel	Provision of travelling related services to AFFIN Islamic	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	400	400	128

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Islamic (continued)	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AFFIN Islamic	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	90	90	-
AFFIN Investment	Boustead Realty	Rental payment by AFFIN Investment for office premises and car park fees payable monthly for a lease term renewable every three (3) years and payment for other related services (Menara Boustead)	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,850	1,800	1,645
	Boustead Travel	Provision of travelling related services to AFFIN Investment	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,500	1,000	542

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Investment (continued)	Boustead Advertising	Design artwork, marketing advertisement, signing ceremonies, backdrop and other related services provided to AFFIN Investment	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	100	80	9
	Boustead Petroleum	Petrol consumption	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	40	40	17
	Boustead Curve	Rental payment by AFFIN Investment for office premises, car parking and utilities charges for a lease term renewable every three (3) years and payment for other related services (The Curve)	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	375	390	320

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Investment (continued)	Irat	Rental payment by AFFIN Investment for office premises, car parking and utilities charges for a renewable lease term every three (3) years and payment for other related services (Chulan Tower)	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	3,200	3,150	2,812
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AFFIN Investment for staff in-house training and other expenses	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	300	330	88
	Boustead	Rental of conference room meeting by AFFIN Investment	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	10	10	-

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Investment (continued)	Sure Reach Tricor Record	Payment by AFFIN Investment for document storage services	<u>Interested Directors</u> Professor Arthur Li Kwok Cheung, Ignatius Chan Tze Ching, Adrian David Li Man Kiu and Peter Yuen Wai Hung <u>Interested Major Shareholder</u> The Bank of East Asia, Limited	10	10	4
AFFIN Fund	Boustead Realty	Rental payment by AFFIN Fund 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 Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	600	510	461
	LTAT	Management fees payable by LTAT to AFFIN Fund	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	180	120	118

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Fund (continued)	Boustead REIT	Management fees payable by Boustead REIT to AFFIN Fund	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	100	40
AFFIN Moneybrokers	Boustead Realty	Rental payment by AFFIN Moneybrokers for office premises and car park payable monthly for a lease term renewable every three (3) years and payment for other related services	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	370	350	310
	Boustead Advertising	Artwork and material charges for printing of annual report provided to AFFIN Moneybrokers	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	10	10	1

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Moneybrokers (continued)	Boustead Travel	Provision of travelling related services to AFFIN Moneybrokers	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	100	100	63
AXA AFFIN Life	Irat	Rental payment by AXA AFFIN Life for office premises, car park and utilities charges for lease term renewable every year and payment for other related services	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,650	1,600	1,451
	AXA Asia Pacific Ltd	Provision of information technology and other support services to AXA AFFIN Life	<u>Interested Directors</u> Kevin John Wright and Loke Kah Meng <u>Interested Major Shareholder</u> AXA Asia Pacific Ltd	10,700	9,280	8,975

AFFIN 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 38 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 29 March 2013 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AXA AFFIN Life (continued)	AXA Asia Pacific Ltd	Software development and license fees by AXA Asia Pacific Ltd to AXA AFFIN Life	<u>Interested Directors</u> Kevin John Wright and Loke Kah Meng <u>Interested Major Shareholder</u> AXA Asia Pacific Ltd	3,700	5,120	2,242
	Boustead Travel	Provision of travelling related services to AXA AFFIN Life	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	750	750	561
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AXA AFFIN Life	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	150	150	89
Total				43,925	41,590	33,595

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.*
- (iii) *The excess in transacted amount is mainly due to higher expenses incurred on meal and refreshment for shareholders during AGM held on 22 April 2013.*
- (iv) *The excess in transacted amount is mainly due to higher expenses incurred for Board and Management Strategic meeting held in Shanghai, China.*
- (v) *In respect of the actual value which individually had exceeded the mandated amount by 10% or more, the Company had not made any announcement to Bursa as the aggregate actual value of the RRPTs over the mandated amount with the same related party had not exceeded by 10% or more.*

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 AFFIN 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 AFFIN 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 AFFIN Group are as follows:-

- (a) A list of the Related Parties is circulated within the AFFIN 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 AFFIN 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 produces/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the 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 AFFIN 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 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 Audit Committee has an interest, as the case may be, he/she shall abstain from any decision making by the Board or Audit Committee in respect of the said transactions;
- (g) Thresholds of authority

There are no specific thresholds for approval of Recurrent Related Party Transactions within the AFFIN 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) Where any Director has an interest (direct or indirect) in any Recurrent Related Party Transactions, such Director shall abstain from deliberations and decision making;
- (i) A register shall be maintained by the Company to record all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate; and
- (j) 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 Audit Committee statement

The 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 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 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 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 AFFIN 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.

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 AFFIN 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>				
Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin	30,000	*	-	-
Tan Sri Dato' Seri Lodin bin Wok Kamaruddin	808,714 [#]	0.05	-	-
Professor Arthur Li Kwok Cheung	-	-	-	-
Ignatius Chan Tze Ching	-	-	-	-
Peter Yuen Wai Hung (Alternate Director to Professor Arthur Li Kwok Cheung)	-	-	-	-
Adrian David Li Man Kiu (Alternate Director to Ignatius Chan Tze Ching)	-	-	-	-
Kevin John Wright (Resigned on 2 January 2014)	-	-	-	-
Loke Kah Meng	-	-	-	-
<u>Interested Major Shareholders</u>				
LTAT	525,834,263	35.18	309,640,407 [@]	20.72
The Bank of East Asia, Limited	351,494,226	23.52	-	-
Boustead	309,240,407	20.69	400,000 [@]	0.03
AXA Asia Pacific Ltd	-	-	-	-

Notes:

[#] 8,714 units of ordinary shares are held in trust by a nominee company

* Insignificant

[@] Deemed interested pursuant to Section 6A of the Act

The aforementioned interested Directors, where applicable, had abstained and will continue to abstain from all deliberations and voting in respect of their direct and/or indirect interest in relation to the Proposed Shareholders' Mandate at the Company's Board meetings.

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 AFFIN and its shareholders.

Accordingly, the Board (save and except for the interested Directors of AFFIN, 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 2013 Annual Report, will be held at Taming Sari Grand Ballroom, The Royale Chulan Hotel, 5 Jalan Conlay, 50450 Kuala Lumpur on 21 April 2014 at 10.00 a.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 attend and vote in person at the AGM, you are requested to complete and sign the Form of Proxy (available in the 2013 Annual Report of the Company) in accordance with the instructions printed thereon and forward it to the Registered Office of AFFIN at 7th Floor, Chulan Tower, 3 Jalan Conlay, 50450 Kuala Lumpur, so as to arrive not later than forty-eight (48) hours before the time for convening the forthcoming AGM.

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

8. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

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

RAJA DATO' SERI AMAN BIN RAJA HAJI AHMAD
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 CONTRACT

Save as disclosed below, AFFIN 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:-

On 22 January 2014, AFFIN had entered into a conditional share sale and purchase agreement (SPA) with Hwang-DBS (Malaysia) Berhad (“**Hwang-DBS**”) for the proposed acquisition of 500,000,000 ordinary shares of RM1.00 each, constituting 100% of the issued and paid-up share capital in HwangDBS Investment Bank Berhad after the completion of the proposed pre-closing reorganisation from Hwang-DBS and the proposed acquisition of 1,700,000 ordinary shares of RM1.00 each, constituting 17% of the issued and paid-up share capital in Hwang Investment Management Berhad held by Y.A.M. Tunku Dato’ Seri Nadzaruddin Ibni Almarhum Tuanku Ja’afar. for a total purchase consideration of RM1,363 million, subject to adjustments as set out in the SPA, to be fully satisfied in cash.

3. MATERIAL LITIGATION

Neither AFFIN 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 AFFIN do not have any knowledge of proceedings pending or threatened against AFFIN 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 AFFIN 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 7th Floor, Chulan Tower, 3 Jalan Conlay, 50450 Kuala Lumpur during normal business hours from the date hereof up to and including the date of the forthcoming AGM:-

- (i) the Memorandum and Articles of Association of AFFIN;
- (ii) the audited financial statements of the AFFIN Group for the last two (2) financial years ended 31 December 2012 and 2013; and
- (iii) the material contract referred in Section 2 above.

EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTION

PROPOSED 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 the 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 28 March 2014 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 annual general meeting of the Company at which time the authority shall lapse unless by a resolution passed at a general meeting, the authority is renewed; or
- ii. the expiration of the period within which the next annual general meeting after the date that is required by law to be held pursuant to Section 143(1) of the Companies Act, 1965; or
- iii. revoked or varied by a resolution passed by the shareholders of the Company at 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 Thirty-Eighth (38th) AGM set out in the 2013 Annual Report of the Company despatched together with this Circular.