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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 AND ADDITIONAL
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-Ninth (39th) Annual General Meeting (AGM) which is attached in the Annual Report of the Company for the financial year ended 31 December 2014 together with the Proxy Form. The Proxy Form 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 Proxy Form 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 Proxy Form	:	18 April 2015 at 10.00 a.m.
Date and time of the AGM	:	20 April 2015 at 10.00 a.m.
Venue of AGM	:	Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur

This Circular is dated 27 March 2015

DEFINITIONS

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

“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 Hwang Asset Management which in turn is a 70% owned subsidiary of AFFIN Hwang Investment
“AFFIN Group” or the “Group”	:	AFFIN and its subsidiary companies as defined in Section 5 of the Act
“AFFIN Hwang Investment”	:	AFFIN Hwang Investment Bank Berhad (formerly known as HwangDBS Investment Bank Berhad) (14389-U), a wholly-owned subsidiary of AFFIN
“AFFIN Hwang Asset Management”	:	AFFIN Hwang Asset Management Berhad (formerly known as Hwang Investment Management Berhad) (429786-T), a 70% owned subsidiary of AFFIN Hwang Investment
“AFFIN Investment”	:	AFFIN Investment Bank Berhad (9999-V), a wholly-owned subsidiary of AFFIN
“AFFIN Islamic”	:	AFFIN Islamic Bank Berhad (709506-V), a wholly-owned subsidiary of ABB which in turn is a wholly-owned subsidiary of AFFIN
“AGM”	:	Annual General Meeting
“AXA AFFIN Life”	:	AXA AFFIN Life Insurance Berhad (723739-W), a 51% owned joint venture company of AFFIN
“Board”	:	Board of Directors of AFFIN
“Boustead”	:	Boustead Holdings Berhad (3871-H), a major shareholder of AFFIN and a 58.89% owned subsidiary of LTAT as at LPD
“Boustead REIT”	:	Boustead REIT Managers Sdn Bhd (90953-K), a 62.39% 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

DEFINITIONS (continued)

“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities and all amendments thereto
“LPD”	:	28 February 2015 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 6(a) 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>
“Proposed Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate and additional 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
“2014 Annual Report”	:	Annual report of AFFIN issued for the financial year ended 31 December 2014

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.

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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

27 March 2015

Board of Directors of AFFIN:

Gen. (R) Dato' Seri DiRaja Tan Sri 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 Tan Sri 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*)

Ignatius Chan Tze Ching (*Non-Independent Non-Executive Director*)

Rosnah binti Omar (*Independent Non-Executive Director*)

To: The shareholders of AFFIN

Dear Sir/Madam

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the 38th AGM held on 21 April 2014, 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 39th AGM unless authority for its renewal is obtained from the shareholders of the Company at the said AGM.

In this regard, on 26 March 2015, the Board had announced to Bursa Securities that the Company proposes to seek approval from its shareholders for the renewal of general mandate and additional 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 39th 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 39th 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 Hwang Investment	100.00	Provision of investment banking services
AFFIN Moneybrokers Sdn Bhd	100.00	Money-broking
AFFIN-ACF Holdings Sdn Bhd	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 (joint venture company)
AFFIN Investment	100.00	Dormant

Name of company	Effective equity interest held (%)	Principal activities
<i><u>Subsidiary companies of ABB</u></i>		
AFFIN Islamic	100.00	Islamic banking services
ABB Trustee Berhad #	100.00	Trustee management 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	Dormant
AFFIN Factors Sdn Bhd	100.00	Dormant
PAB Property Development 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
AFFIN Recoveries Berhad	100.00	Dormant
AFFIN-ACF Nominees (Tempatan) Sdn Bhd *	100.00	Dormant
AFFIN-i Nadayu Sdn Bhd	50.00	Property Development (Joint venture company)
KL South Development Sdn Bhd	30.00	Property Development (Joint venture company)

Notes:

80% held by ABB's directors in trust for ABB

@ Subsidiaries with issued and paid up share capital of RM2 each

^ Subsidiary with issued and paid up share capital of RM5 each

* Application to strike off the name of the company has been filed with Suruhanjaya Syarikat Malaysia ('SSM')

Name of company	Effective equity interest held (%)	Principal activities
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Subsidiary companies of AFFIN Hwang Investment

AFFIN Hwang Asset Management	70.00	Asset Management and management of unit trust & private retirement scheme
AFFIN Hwang Futures Sdn Bhd (formerly known as HDM Futures Sdn Bhd)	100.00	Licensed futures brokers dealing in options & futures
AFFIN Hwang Nominees (Asing) Sdn Bhd (formerly known as HDM Nominees (Asing) Sdn Bhd)	100.00	Nominees services
AFFIN Hwang Nominees (Tempatan) Sdn Bhd (formerly known as HDM Nominees (Tempatan) Sdn Bhd)	100.00	Nominees services

Subsidiary companies of AFFIN Investment

AFFIN Nominees (Asing) Sdn Bhd	100.00	Dormant
AFFIN Nominees (Tempatan) Sdn Bhd	100.00	Dormant
Classic Precision Sdn Bhd	66.89	In members' voluntary winding-up
Merchant Nominees (Tempatan) Sdn Bhd	100.00	In members' voluntary winding-up

Subsidiary company of AFFIN Hwang Asset Management

AFFIN Fund	70.00	Dormant
Asian Islamic Investment Management Sdn Bhd	70.00	Islamic fund management

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) Dato' Seri DiRaja Tan Sri 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 Hwang Investment, AFFIN Hwang Asset Management, 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
Rosnah binti Omar	An Independent Director of AFFIN
Loke Kah Meng	Chief Executive Officer/Managing Director of AXA AFFIN Life, nominated by AXA Asia Pacific Ltd
Professor Arthur Li Kwok Cheung (resigned on 31 December 2014)	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 (resigned on 31 December 2014)	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
Blair Chilton Pickerell	A Director of AFFIN Hwang Asset Management, nominated by Nikko Asset Management International Limited (" Nikko Asset Management ")
Seet Oon Hui Eleanor (Xue Enhui Eleanor)	An Alternate Director of AFFIN Hwang Asset Management, nominated by Nikko Asset Management
2. Interested Major Shareholders	
LTAT	A major shareholder of AFFIN with 35.28% direct interest and 20.72% indirect interest; and a major shareholder of Boustead with 58.89% direct interest as at LPD

Related Parties	Relationship
2. Interested Major Shareholders (continued)	
Boustead	A major shareholder of AFFIN with a 20.69% direct interest and 0.03% indirect interest; and a 58.89% 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
Nikko Asset Management	A major shareholder of AFFIN Hwang Asset Management
3. Persons Connected to Interested Directors and Interested Major Shareholders	
Boustead	A major shareholder of AFFIN with a 20.69% direct interest and 0.03% indirect interest; and a 58.89% owned subsidiary of LTAT as at LPD
Boustead Advertising Sdn Bhd (“ Boustead Advertising ”)	A wholly-owned subsidiary of Boustead
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 Information Technology Sdn Bhd (“ Boustead Information Technology ”)	A wholly-owned subsidiary of Boustead
Boustead Management Services Sdn Bhd (“ BMS ”)	A wholly-owned subsidiary of Boustead
Boustead Petroleum Marketing Sdn Bhd (“ Boustead Petroleum ”)	A 42% owned subsidiary of Boustead and a 54.73% effectively owned subsidiary of LTAT as at LPD
Boustead Properties	A wholly-owned subsidiary of Boustead
Boustead Realty Sdn Bhd (“ Boustead Realty ”)	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Boustead REIT	A 62.39% effectively owned subsidiary of LTAT as at LPD
Boustead Travel	A wholly-owned subsidiary of Boustead
Boustead Weld Quay Sdn Bhd (“ Boustead Weld Quay ”)	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead

Related Parties	Relationship
3. Persons Connected to Interested Directors and Interested Major Shareholders (continued)	
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
Perbadanan Perwira Niaga Malaysia (“Perwira Niaga”)	A wholly-owned corporation of LTAT
Tricor Investor & Issuing House Services Sdn Bhd (“Tricor Issuing House”)	A wholly owned subsidiary of Tricor Services (M) Sdn Bhd which in turn is an indirect subsidiary of The Bank of East Asia, Limited
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

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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:-

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	70	39
	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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	930	890	776

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	210	360	59
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AFFIN	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	370	340	224
	Boustead Advertising	Advertisement in media and other services provided to AFFIN	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	40	16

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (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	134
	Boustead Information Technology	Provision for information technology support services and facility for external storage to AFFIN	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	10	20	2
	Boustead	Provision of training for Directors and staff in the Group	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	50	-

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	150	150	120
	Boustead Travel	Provision of travelling related services to ABB	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,000	1,700	813
	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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	12,800	12,700	10,821

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
ABB (continued)	L.TAT	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) Dato' Seri DiRaja Tan Sri 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 Advertising	Advertisement in media and other services provided to ABB	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	30	23
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to ABB	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,200	650	779 [see note (iii) & (v)]

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
ABB (continued)	Boustead Hotels & Resorts	Rental payment by ABB for space of ATM machine at The Royale Chulan Kuala Lumpur Hotel	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	20	20	11
	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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	170	150	164
	Boustead Petroleum	LED advertising charges and related expenses to ABB	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	100	90	88

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
ABB (continued)	Boustead Petroleum	Rental payment by ABB for space of ATM machine at BHP petrol stations	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	180	180	151
AFFIN Islamic	Boustead Travel	Provision of travelling related services to AFFIN Islamic	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	300	400	51
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AFFIN Islamic	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	10	90	-

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	1,850	747
	Boustead Travel	Provision of travelling related services to AFFIN Investment	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	1,500	178
	Boustead Advertising	Design artwork, marketing advertisement, signing ceremonies, backdrop and other related services provided to AFFIN Investment	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	100	8

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Investment [#] (continued)	Boustead Petroleum	Petrol consumption	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	40	8
	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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	375	146
	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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	3,200	1,279

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Investment [#] (continued)	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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	300	85
	Boustead	Rental of conference room meeting by AFFIN Investment	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	10	1
	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	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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Fund ^a	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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	600	219
	LTAT	Management fees payable by LTAT to AFFIN Fund	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	180	55
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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	370	370	332

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Moneybrokers (continued)	Boustead Advertising	Artwork and material charges for printing of annual report provided to AFFIN Moneybrokers	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	-	10	2
	Boustead Travel	Provision of travelling related services to AFFIN Moneybrokers	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	120	100	106
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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,800	1,650	1,547
	AXA Asia Pacific Ltd	Provision of information technology and other support services to AXA AFFIN Life	<u>Interested Director</u> Loke Kah Meng <u>Interested Major Shareholder</u> AXA Asia Pacific Ltd	15,200	10,700	7,320

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 39 th AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 28 March 2014 (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 Director</u> Loke Kah Meng <u>Interested Major Shareholder</u> AXA Asia Pacific Ltd	6,100	3,700	4,670 [see note (iv) & (v)]
	Boustead Travel	Provision of travelling related services AXA AFFIN Life	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	750	750	373
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AXA AFFIN Life	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	150	150	102
Sub-Total				42,200	43,925	31,669

Notes:

The entire business, assets (excluding Merchant Nominees (Tempatan) Sdn Bhd, Classic Precision Sdn Bhd and AFFIN Fund) and liabilities of AFFIN Investment had been merged with HwangDBS Investment Bank Berhad on 20 September 2014 under the merged entity, i.e. AFFIN Hwang Investment. For subsequent reporting purposes, transactions between AFFIN Investment and the respective related parties will be classified under AFFIN Hwang Investment.

^ The entire business, assets and liabilities of AFFIN Fund had been merged with AFFIN Hwang Asset Management on 20 September 2014. For subsequent reporting purposes, transactions between AFFIN Fund and the respective related parties will be classified under AFFIN Hwang Asset Management.

AFFIN Group	Related Party	Nature of transaction	Interested Directors/Major Shareholders/ person(s) connected to interested Directors or interested Major Shareholders	Estimated aggregate value of transaction from date of 39 th AGM to the next AGM date # (RM'000)
FOR ADDITIONAL SHAREHOLDERS' MANDATE				
AFFIN	Tricor Issuing House	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	220
ABB	Rosnah binti Omar	Rental of premises to ABB	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin, Tan Sri Dato' Seri Lodin bin Wok Kamaruddin and Rosnah binti Omar <u>Interested Major Shareholders</u> LTAT and Boustead	120
AFFIN Hwang Investment	Boustead Realty	Rental for office premises, car parking and utilities charges 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 DiRaja Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	2,462
	Boustead Travel	Provision of travelling related services to AFFIN Hwang Investment	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri DiRaja Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,500

AFFIN Group	Related Party	Nature of transaction	Interested Directors/Major Shareholders/ person(s) connected to interested Directors or interested Major Shareholders	Estimated aggregate value of transaction from date of 39 th AGM to the next AGM date # (RM'000)
AFFIN Hwang Investment (continued)	Boustead Petroleum	Petrol consumption	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	40
	Boustead Curve	Rental payment by AFFIN Hwang 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 DiRaja Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	375
	Irat	Rental payment by AFFIN Hwang 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 DiRaja Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	3,200
	Boustead Hotels and Resorts	Hotel facilities and refreshment provided to AFFIN Hwang Investment for staff in-house training and other expenses	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri DiRaja Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	300

AFFIN Group	Related Party	Nature of transaction	Interested Directors/Major Shareholders/ person(s) connected to interested Directors or interested Major Shareholders	Estimated aggregate value of transaction from date of 39 th AGM to the next AGM date # (RM'000)
AFFIN Hwang Investment (continued)	Boustead	Rental of conference room meeting by AFFIN Hwang Investment	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	10
	Sure Reach Tricolor Record	Payment by AFFIN Hwang 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
	Boustead Weld Quay Sdn Bhd	Accommodation and meeting package	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri DiRaja Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	70
AFFIN Hwang Asset Management	LTAT	Management fees payable by LTAT to AFFIN Hwang Asset Management	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,000

AFFIN Group	Related Party	Nature of transaction	Interested Directors/Major Shareholders/ person(s) connected to interested Directors or interested Major Shareholders	Estimated aggregate value of transaction from date of 39 th AGM to the next AGM date # (RM'000)
AFFIN Hwang Asset Management (continued)	Boustead Travel	Provision of travelling related services to AFFIN Hwang Asset Management	<u>Interested Directors</u> Gen. (R) Tan Sri Dato' Seri DiRaja Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	100
	Nikko Asset Management	Management fees and sales charge payable by Nikko Asset Management to AFFIN Hwang Asset Management	<u>Interested Directors</u> Blair Chilton Pickereil and Seet Oon Eleanor (Xue Enhui Eleanor) <u>Interested Major Shareholder</u> Nikko Asset Management	2,000
	Nikko Asset Management	Management fees payable by AFFIN Hwang Asset Management to Nikko Asset Management	<u>Interested Directors</u> Blair Chilton Pickereil and Seet Oon Eleanor (Xue Enhui Eleanor) <u>Interested Major Shareholder</u> Nikko Asset Management	5,000
	Nikko Asset Management	Advisory fees payable by AFFIN Hwang Asset Management to Nikko Asset Management	<u>Interested Directors</u> Blair Chilton Pickereil and Seet Oon Eleanor (Xue Enhui Eleanor) <u>Interested Major Shareholder</u> Nikko Asset Management	5,000

AFFIN Group	Related Party	Nature of transaction	Interested Directors/Major Shareholders/ person(s) connected to interested Directors or interested Major Shareholders	Estimated aggregate value of transaction from date of 39 th AGM to the next AGM date # (RM'000)
AFFIN Hwang Asset Management (continued)	Nikko Asset Management	Commission payable by AFFIN Hwang Asset Management to Nikko Asset Management	<u>Interested Directors</u> Blair Chilton Pickereil and Seet Oon Eleanor (Xue Enhui Eleanor) <u>Interested Major Shareholder</u> Nikko Asset Management	1,000
Sub-total				22,407
GRAND TOTAL				64,607

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 for the higher number of events held at the hotel during the year.
- (iv) The excess in transacted amount is mainly due to the additional cost incurred for the enhancement of system to cater for the impending Goods and Services Tax.
- (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.

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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.

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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 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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin	40,000	*	-	-
Tan Sri Dato' Seri Lodin bin Wok Kamaruddin	1,051,328 [#]	0.05	-	-
Rosnah binti Omar	-	-	-	-
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)	-	-	-	-
Loke Kah Meng	-	-	-	-
Blair Chilton Pickerell	-	-	-	-
Seet Oon Hui Eleanor (Xue Enhui Eleanor)	-	-	-	-
<u>Interested Major Shareholders</u>				
LTAT	685,537,141	35.28	402,532,529 [@]	20.72
The Bank of East Asia, Limited	456,942,493	23.52	-	-
Boustead	402,012,529	20.69	520,000 [@]	0.03
Nikko Asset Management	-	-	-	-
AXA Asia Pacific Ltd	-	-	-	-

Notes:

11,328 units of ordinary shares are held in trust by a nominee company

* Insignificant

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

^ Resigned on 31 December 2014

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 2014 Annual Report, will be held at Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on 20 April 2015 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 Proxy Form (available in the 2014 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 Proxy Form 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 TAN SRI 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:-

- (i) On 4 September 2013, AFFIN and Hwang Capital (Malaysia) Berhad (formerly known as Hwang-DBS (Malaysia) Berhad) ("**Hwang Capital**") had entered into an Exclusivity Agreement in relation to the acquisition of 500,000,000 ordinary shares of RM1.00 each in AFFIN Hwang Investment (after the completion of the pre-closing reorganisation) held by Hwang Capital and 1,700,000 ordinary shares of RM1.00 each in AFFIN Hwang Asset Management held by the minority shareholder (collectively to be referred as the "**Acquisition**"), to regulate, inter alia, the parties' efforts in pursuit of the respective applications to Bank Negara Malaysia for approval on the terms and conditions therein;
- (ii) On 22 January 2014, AFFIN and Hwang Capital had entered into a conditional share sale and purchase agreement to give effect to the Acquisition, which was completed on 7 April 2014;
- (iii) On 28 March 2014, AFFIN and each of (a) RHB Bank Berhad, RHB Investment Bank Berhad and OCBC Bank (Malaysia) Berhad, (b) RHB Bank Berhad and OCBC Bank (Malaysia) Berhad and (c) RHB Islamic Bank Berhad (collectively, the "**Lenders**") had entered into the facility agreements for an aggregate bridge loan facility of up to RM1,400 million to fund the Acquisition;
- (iv) On 5 May 2014, AFFIN Investment and AFFIN Hwang Investment had entered into the business transfer agreement ("**Business Transfer Agreement**") to effect the transfer of the entire business, including all assets (excluding Merchant Nominees (Tempatan) Sdn Bhd and Classic Precision Sdn Bhd) and liabilities of AFFIN Investment to AFFIN Hwang Investment ("**IB Merger**") for RM762.73 million in cash. The purchase consideration was based on the aggregate of a sum based on the provisional net asset value of the business, including the assets and liabilities of AFFIN Investment as at 31 August 2014 and a fixed sum of RM97.35 million being value attributable to the goodwill of the business. A Vesting Order dated 3 June 2014 was obtained from the High Court of Malaya at Kuala Lumpur to effect the IB Merger;
- (v) On 29 May 2014, AFFIN, Hwang IB, and collectively RHB Investment Bank Berhad, Public Investment Bank Berhad, AmInvestment Bank Berhad and Credit Suisse Securities (Malaysia) Sdn Bhd had entered into a Management and Underwriting Agreement relating to the renounceable rights issue of 448,372,741 new ordinary shares of RM1.00 each in AFFIN ("**Right Share(s)**"), on the basis of three (3) Rights Shares for every ten (10) AFFIN Shares held on the entitlement date, at an issue price of RM2.76 per Rights Share;

2. MATERIAL CONTRACT (continued)

- (vi) On 15 July 2014, AFFIN Investment and AFFIN Hwang Investment had entered into a supplemental business transfer agreement, wherein the parties sought to further exclude AFFIN Fund from the IB Merger as contemplated in the Business Transfer Agreement. A supplemental Court Order was obtained from the High Court of Malaya at Kuala Lumpur on 13 August 2014. The IB Merger was completed on 20 September 2014;
- (vii) On 14 August 2014, AFFIN Hwang Asset Management and AFFIN Investment had entered into a shares transfer agreement to acquire 100% equity interest in AFFIN Fund ("**AFFIN Fund Acquisition**") for RM55 million in cash. The AFFIN Fund Acquisition was completed on 19 August 2014;
- (viii) On 20 August 2014, AFFIN Fund and AFFIN Hwang Asset Management had entered into a business transfer agreement for the transfer of the whole of the assets, liabilities and business undertakings of AFFIN Fund to AFFIN Hwang Asset Management ("**IM Merger**") for RM14.28 million in cash. The purchase consideration was based on the net asset value of the business, including the assets and liabilities of AFFIN Fund as at 31 August 2014. The IM Merger was completed on 20 September 2014 pursuant to the Court Order granted by the High Court on 25 August 2014; and
- (ix) On 19 September 2014, AFFIN Hwang Asset Management had entered into the shares sale and purchase agreements with Nikko Asset Management and AFFIN Hwang Investment for the acquisitions of 51% interest and 49% interest in AIIM for RM11.73 million and RM11.27 million respectively in cash. The total purchase consideration of RM23 million represented an enterprise value/assets under management ("**AUM**") of 1.48% based on AUM (being funds other than those managed on behalf of AFFIN Hwang Asset Management) as at 31 March 2014 of RM1,555.7 million. The said acquisitions were completed on 20 September 2014.

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 2013 and 2014; and
- (iii) the material contract referred in Section 2 above.

EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND ADDITIONAL 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 27 March 2015 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-Ninth (39th) AGM set out in the 2014 Annual Report of the Company despatched together with this Circular.