

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the Proposed Adoption (as defined herein) prior to the issuance of this Circular as they are exempted from perusal by Bursa Securities pursuant to provisions of Practice Note 18 of the Listing Requirements (as defined herein).

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

**CIRCULAR TO SHAREHOLDERS**

**in relation to the**

**PART A**

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

**PART B**

**PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY  
("PROPOSED ADOPTION")**

The resolutions pertaining to the above proposals are set out in the Notice of the Company's Thirty-Seventh (37th) Annual General Meeting (AGM) which is attached in the Annual Report of the Company for the financial year ended 31 December 2012 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	:	20 April 2013 at 10.00 a.m.
Date and time of the AGM	:	22 April 2013 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 29 March 2013

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## DEFINITIONS

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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
“Articles”	:	Articles of Association of the Company
“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 61.78% 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)

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**DEFINITIONS (continued)**

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“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
“LPD”	:	28 February 2013, 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> <ul style="list-style-type: none"><li>(i) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the company; or</li><li>(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</li></ul> <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
“Proposed Adoption”	:	Proposed adoption of new Articles of Association of the Company

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**DEFINITIONS (continued)**

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“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
“2012 Annual Report”	:	Annual report of AFFIN issued for the financial year ended 31 December 2012

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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**PART A**

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



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

**Registered Office:**

7<sup>th</sup> Floor, Chulan Tower  
3, Jalan Conlay  
50450 Kuala Lumpur

29 March 2013

**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*)

Tan Sri Jamaluddin bin Haji Ahmad Damanhuri (*Independent Non-Executive Director*)  
(*Resigned on 6 March 2013*)

Dr. the Hon. Sir David Li Kwok Po (*Non-Independent Non-Executive Director*)

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

Adrian David Li Man Kiu (*Alternate Director to Dr. the Hon. Sir David Li Kwok Po*)

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

**To: The shareholders of AFFIN**

Dear Sir / Madam

**PROPOSED SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

At the 36<sup>th</sup> AGM held on 16 April 2012, 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 Main Market Listing Requirements, lapse at the conclusion of the forthcoming 37<sup>th</sup> AGM unless authority for its renewal is obtained from the shareholders of the Company at the said AGM.

In this regard, on 28 March 2013, 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 37<sup>th</sup> 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 37<sup>th</sup> 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 PART A 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:-

<b>Name of company</b>	<b>Effective equity interest held</b>	<b>Principal activities</b>
	<b>%</b>	
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	Moneybroking
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)
<i><u>Subsidiary companies of ABB</u></i>		
AFFIN Islamic	100.00	Provision of Islamic banking services
PAB Properties Sdn Bhd	100.00	Property management services



Name of company	Effective equity interest held %	Principal activities
ABB Nominee (Tempatan) Sdn Bhd	100.00	Nominee services
ABB Nominee (Asing) Sdn Bhd	100.00	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
AFFIN Recoveries Berhad	100.00	Dormant
BSN Merchant Nominees (Tempatan) Sdn Bhd	100.00	Dormant
BSN Merchant Nominees (Asing) Sdn Bhd	100.00	Dormant
ABB Asset Management (M) Berhad	100.00	Dormant
AFFIN-ACF Nominees (Tempatan) Sdn Bhd	100.00	Dormant
AFFIN-i Nadayu Sdn Bhd <i>(formerly known as AFFIN-I Goodyear Sdn Bhd)</i>	50.00	Property Development (Jointly controlled entity)
<i>Note:</i>		
# 80% held by ABB's directors in trust for ABB		
<u>Subsidiary companies of AFFIN Investment</u>		
AFFIN Fund	100.00	Asset management and management of unit trust
AFFIN Nominees (Tempatan) Sdn Bhd	100.00	Nominee services

Name of company	Effective equity interest held %	Principal activities
AFFIN Nominees (Asing) Sdn Bhd	100.00	Nominee services
Merchant Nominees (Tempatan) Sdn Bhd	100.00	In members' voluntary winding-up
Merchant Nominees (Asing) 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
<b>1. Interested Directors</b>	
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	A Director of AXA AFFIN Life, nominated by AXA Asia Pacific Ltd
Loke Kah Meng	Chief Executive Officer/Managing Director of AXA AFFIN Life, nominated by AXA Asia Pacific Ltd
Dr. the Hon. Sir David Li Kwok Po	A Director of AFFIN, nominated by The Bank of East Asia, Limited

Related Parties	Relationship
<b>1. Interested Directors (continued)</b>	
Professor Arthur Li Kwok Cheung	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
<b>2. Interested Major Shareholders</b>	
LTAT	A major shareholder of AFFIN with 35.19% direct interest and 20.69% indirect interest and a major shareholder of Boustead with 61.78% direct interest as at LPD
Boustead	A major shareholder of AFFIN with a 20.69% direct interest and a 61.78% 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
<b>3. Persons Connected To Interested Directors and Interested Major Shareholders</b>	
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 in turn is a wholly-owned subsidiary of Boustead
Boustead Travel	A wholly-owned subsidiary of Boustead
Boustead Information Technology Sdn Bhd (“Boustead Information Technology”)	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

Related Parties	Relationship
<b>3. Persons Connected To Interested Directors and Interested Major Shareholders (continued)</b>	
Boustead Petroleum Marketing Sdn Bhd (“Boustead Petroleum”)	A 41.9% owned subsidiary of Boustead and a 55.87% 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 62.39% 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 Asset Management Sdn Bhd	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 (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 RM'000	Actual value transacted from the previous AGM up to LPD RM'000
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	45
	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	840	840	762
	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	290	320	60

AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 RM'000	Actual value transacted from the previous AGM up to LPD RM'000
AFFIN (continued)	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	190	250	113
	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	50	40	22
	Tricolor Investor Services	Special registrar services provided to AFFIN	<u>Interested Directors</u> Dr. the Hon. Sir David Li Kwok Po, Professor Arthur Li Kwok Cheung, Adrian David Li Man Kiu and Peter Yuen Wai Hung  <u>Interested Major Shareholder</u> The Bank of East Asia, Limited	210	340	5
	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	10	20	14

AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 RM'000	Actual value transacted from the previous AGM up to LPD RM'000
AFFIN (continued)	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	60	60	-
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	140	130	112
	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	900	1,000	757
	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	12,190	12,005	10,158

AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 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	259	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	140	133	113
	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	530	300	451 [see note (i) & (v)]
				20	20	11



AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 RM'000	Actual value transacted from the previous AGM up to LPD RM'000
ABB (continued)	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	19
	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	60	56
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	199
	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	10	63 [see note (i) & (v)]

AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 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) 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	1,800	1,807	1,607
	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	1,000	1,100	504
	Boustead Advertising	Advertisement in media 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	80	80	10
	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	30	27

AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 RM'000	Actual value transacted from the previous AGM up to LPD RM'000
AFFIN Investment (continued)	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	390	385	320
	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	3,150	3,138	2,755
	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	330	270	213

AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 RM'000	Actual value transacted from the previous AGM up to LPD RM'000
AFFIN Investment (continued)	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	2
	Sure Reach Tricor Record Management Sdn Bhd	Payment by AFFIN Investment for document storage services	<u>Interested Directors</u> Dr. the Hon. Sir David Li Kwok Po, Professor Arthur Li Kwok Cheung, Adrian David Li Man Kiu and Peter Yuen Wai Hung  <u>Interested Major Shareholder</u> The Bank of East Asia, Limited	10	10	-
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	510	494	451

AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 RM'000	Actual value transacted from the previous AGM up to LPD RM'000
AFFIN Fund (continued)	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	120	120	109
	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	60	72 [see note (ii) & (v)]
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	350	336	307
	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	2

AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 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	80	100  [see note (iii) & (v)]
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	1,600	1,600	1,393
	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	9,280	9,200	8,736
	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	5,120	6,500	4,133

AFFIN Group	Related Party	Nature of transaction	Interested Directors / Major Shareholders / person(s) connected to interested Directors or interested Major Shareholders (a)	Estimated aggregate value of transaction from date of 37th AGM to the next AGM date # RM'000	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 23 March 2012 RM'000	Actual value transacted from the previous AGM up to LPD RM'000
AXA AFFIN Life (continued)	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	400	700  [see note (iv) & (v)]
	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	83
<b>Sub-Total</b>				<b>41,590</b>	<b>42,217</b>	<b>34,847</b>

Notes:

- (a) The nature of relationship with the Related Party is outlined in section 2.2.1 of this Circular.
- # 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.
- (i) The excess in transacted amount is due to the expenses incurred on a corporate function held during the year but not included in the mandate.
- (ii) The excess in transacted amount is due to higher management fees as a result of higher average Net Asset Value as compared to the estimated amount.
- (iii) The excess in transacted amount is due to underestimation of amount for travelling in the mandate.
- (iv) The excess in transacted amount is due to higher number of incentive trips provided to bank partner in line with the increasing business volume.
- (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 are no amounts due and owing by the Related Parties to AFFIN Group pursuant to the Recurrent Related Party Transactions as at LPD which exceeded the credit terms.

### **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 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 2.4 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 rationales for the Proposed Shareholders' Mandate to the AFFIN Group are as follows:

- (a) the Proposed Shareholders' Mandate will empower the Group 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 an 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	%
<b><u>Interested Directors</u></b>				
Gen. (R) Tan Sri Dato' Seri Mohd Zahidi bin Haji Zainuddin	30,000	*	-	-
Tan Sri Dato' Seri Lodin bin Wok Kamaruddin	808,714 <sup>#</sup>	0.05	-	-
Dr. the Hon. Sir David Li Kwok Po	-	-	-	-
Professor Arthur Li Kwok Cheung	-	-	-	-
Adrian David Li Man Kiu (Alternate Director to Dr. the Hon. Sir David Li Kwok Po)	-	-	-	-
Peter Yuen Wai Hung (Alternate Director to Professor Arthur Li Kwok Cheung)	-	-	-	-
Kevin John Wright	-	-	-	-
Loke Kah Meng	-	-	-	-
<b><u>Interested Major Shareholders</u></b>				
LTAT	525,834,263	35.19	309,240,407 <sup>@</sup>	20.69
The Bank of East Asia, Limited	351,494,226	23.52	-	-
Boustead	309,240,407	20.69	-	-
AXA Asia Pacific Ltd	-	-	-	-

*Notes:*

<sup>#</sup> 8,714 units of ordinary shares are held in trust by a nominee company

\* Insignificant

<sup>@</sup> 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 2012 Annual Report, will be held at Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on 22 April 2013 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 2012 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 II 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

**PART B**

**PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE  
COMPANY**



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

**Registered Office:**  
7<sup>th</sup> Floor, Chulan Tower  
3, Jalan Conlay  
50450 Kuala Lumpur

29 March 2013

**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*)

Tan Sri Jamaluddin bin Haji Ahmad Damanhuri (*Independent Non-Executive Director*)  
(*Resigned on 6 March 2013*)

Dr. the Hon. Sir David Li Kwok Po (*Non-Independent Non-Executive Director*)

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

Adrian David Li Man Kiu (*Alternate Director to Dr. the Hon. Sir David Li Kwok Po*)

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

**To: The Shareholders of AFFIN**

Dear Sir/Madam

**PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY**

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**1. INTRODUCTION**

On 28 March 2013, the Company had announced its intention to seek the approval of the shareholders for the Proposed Adoption at the forthcoming AGM.

The purpose of Part B of this Circular is to provide you with details of the Proposed Adoption and to seek your approval of the Special Resolution pertaining to the Proposed Adoption, 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 AND CONSIDER CAREFULLY THE CONTENTS OF PART B OF THIS CIRCULAR BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED ADOPTION AT THE FORTHCOMING AGM.**

**2. DETAILS OF THE PROPOSED ADOPTION**

The details of the Proposed Adoption are as set forth in the Appendix I of this Circular.

### **3. RATIONALE FOR THE PROPOSED ADOPTION**

The Proposed Adoption is primarily to comply with the applicable provisions of the Listing Requirements and to render the Articles consistent with the provisions of other relevant statutory and regulatory requirements and to further clarify certain clauses as well as to enhance administrative efficiency of the Company.

The Directors of AFFIN propose the adoption of new Articles as the amendments required to be made are many and would entail substantial amendments to the Articles.

### **4. EFFECTS OF THE PROPOSED ADOPTION**

The Proposed Adoption will not have any effects on our issued and paid-up share capital, substantial shareholders, net assets per share, gearing or earnings per share of our Group.

### **5. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED**

None of the Directors of the Company, and/or substantial shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Adoption.

### **6. APPROVAL REQUIRED**

The Proposed Adoption is subject to the approval of the shareholders of the Company at the forthcoming AGM.

### **7. DIRECTORS' RECOMMENDATION**

Having considered all aspects of the Proposed Adoption, the Board of AFFIN is of the opinion that the Proposed Adoption is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the Special Resolution pertaining to the Proposed Adoption to be tabled at the forthcoming AGM.

### **8. AGM**

The AGM of the Company, the Notice of which is enclosed in the 2012 Annual Report of the Company, will be held at Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on 22 April 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, approving inter alia, the Special Resolution on the Proposed Adoption, as Special Business.

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 2012 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.

**9. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendices for further information.

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

**GEN. (R) TAN SRI DATO' SERI MOHD ZAHIDI  
BIN HAJI ZAINUDDIN**  
Chairman



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**APPENDIX I:  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

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THE COMPANIES ACT, 1965  
MALAYSIA

—————  
PUBLIC COMPANY LIMITED BY SHARES  
—————

ARTICLES OF ASSOCIATION

OF

**AFFIN HOLDINGS BERHAD**

—————

**EXCLUSION OF TABLE “A”**

1. The Regulations contained in Table “A” in the Fourth Schedule to the Companies Act, 1965 shall not apply to the Company except in so far as the same are repeated or contained in these presents.

**INTERPRETATION**

2. In these Articles unless the subject matter or context dictates otherwise, the following words and phrases shall have the meaning assigned to them herein:-

“Act”	<u>means the Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.</u>
“Articles”	means the Articles of Association of the Company as adopted or as from time to time altered or added to by special resolution
<u>“Authorised Nominee”</u>	<u>shall have the meaning ascribed thereto in the Central Depositories Act.</u>
“Board”	means the Board of Directors for the time being of the Company.
“Bursa Depository”	means Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W) <u>and its successors-in-title.</u>
“Bursa Securities”	means Bursa Malaysia Securities Berhad (Company No. 635998-W).
“Central Depositories Act”	means the Securities Industry (Central Depositories) Act, 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder.

“Company”	means AFFIN HOLDINGS BERHAD (Company No. 23218-W).
“Depository Security”	means a security as defined in Section 2 of the Central Depositories Act, <u>in the Company</u> standing to the credit of a Securities Account of a Depositor and includes a security in a Securities Account that is in suspense.
“Depositor”	means a holder of a Securities Account.
“Directors”	mean the Directors for the time being of the Company or their alternates.
<u>“Exempt Authorised Nominee”</u>	<u>means an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.</u>
“Listed”	means admitted to the Official List and “listing” shall be construed accordingly.
“Listing Requirements”	<u>means the Main Market Listing Requirements of Bursa Malaysia Securities Berhad including any modifications or amendments to the Listing Requirements that may be made from time to time.</u>
“Market Day”	means a day on which the stock market of Bursa Securities is open for trading in securities.
“Member”	<u>means any person for the time being registered as the holder of shares in the share capital of the Company in the Register of Members (except Bursa Depository in its capacity as bare trustee) and any Depositor whose names appears on the Record of Depositors and who has a credit balance of shares in the Company in his or her Securities Account who shall be treated as if he were a Member pursuant to Section 35 of the Central Depositories Act.</u>
“Office”	means the registered office for the time being of the Company.
“Record of Depositors”	means a record provided by the Bursa Depository to the Company pursuant to an application under Chapter 24.0 of the Rules.
“Register of Members”	means the register of Members to be kept pursuant to the Act.
“Rules”	<u>means the Rules of the Bursa Depository as defined under the Central Depositories Act and any modification or amendment thereto for the time being in force.</u>
“Seal”	means the Common Seal of the Company.
“Secretary”	means any person or persons appointed to perform the duties of a secretary of the Company and shall include a joint, assistant or deputy secretary.

- “Securities” means securities as defined in Section 2(1) of the Capital Markets and Services Act, 2007 or any modification, amendment or re-enactment thereof for the time being in force.
- “Securities Account” means an account established by the Bursa Depository for a Depositor for the recording of deposit of Securities and for dealings in such Securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.
- (a) Reference to “writing” shall, unless the contrary intention appears, be construed as including references to printing, typewriting, lithography, photography, electronic storage or transmission and other modes of recording information or representing or reproducing words in a visible form.
- (b) Words denoting the singular only shall include the plural and the masculine gender shall include the feminine and neuter genders and the word “person” shall include a corporation.
- (c) Subject as aforesaid words or expressions contained in these Articles shall be interpreted in accordance with the provisions of the Interpretation Act, 1967 as amended from time to time and any re-enactment thereof.
- (d) The headings are inserted for convenience only and shall not affect the construction of these Articles.
- (e) Reference to “these Articles” means these Articles of Association as originally framed or as from time to time altered by special resolution.
- (f) Reference to “transfer” in relation to shares shall include a transfer of shares pursuant to the Rules.

### **AUTHORISED SHARE CAPITAL**

3. The authorised capital of the Company at the date of the adoption of these Articles is Ringgit Malaysia Five Billion (RM5,000,000,000.00) divided into Five Billion (5,000,000,000) ordinary shares of Ringgit Malaysia One (RM1.00) each.

### **ALTERATION OF RIGHTS**

4. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with:-
- (1) the consent in writing of the holders of three-fourth of the issued shares of that class; or
- (2) the sanction of a special resolution passed at a separate general meeting of such holders.

To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present shall form a quorum) and any holder of shares of the class present in person or by proxy may demand a poll.

5. The rights conferred upon the holders of any shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

#### **SHARE CAPITAL**

6. Subject to the prior approval of the members of the Company in general meeting and to the provisions of the Act and to the conditions, restrictions and limitations expressed in these Articles and to the provisions of any resolution of the Company, any unissued shares of the Company shall be at the disposal of the Directors who may offer, issue, allot (with or without conferring a right of renunciation), grant options over, grant any right or rights to subscribe for such shares, or otherwise deal with or dispose of such shares to such person or persons on such terms and conditions and at such times as the Directors may determine, but the Directors in making any such allotment or disposal or granting any such option of shares shall comply with the following conditions:-
  - (1) No shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;
  - (2) No share shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
  - (3) The rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating them;
  - (4) No Director shall participate in a scheme involving a new issuance of shares to the employees of the Company unless members in general meeting have approved the specific allotment to be made to such Director.
7. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities proposed to be issued shall before they are issued be offered to such persons as are at the date of the offer entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or convertible Securities offered and limiting a time within which the offer if not accepted, will be deemed to be declined, and, after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or convertible Securities offered, the Directors may dispose of those shares or convertible Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or convertible Securities which (by reason of the ratio which the new shares or convertible Securities bear to shares or Securities held by the persons entitled to an offer of new shares or convertible Securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.
8. Notwithstanding Article 7 (but subject to the Act) the Company may apply to the Bursa Securities for a waiver from convening an extraordinary general meeting to obtain shareholders' approval for further issue of shares (other than bonus or rights issues) where:-
  - (1) the aggregate of the shares issued in any one financial year (other than bonus or rights issues and other issues of shares which have been specifically approved by the shareholders in an extraordinary general meeting) does not exceed ten per cent (10%) of the issued capital of the Company; and
  - (2) in accordance with Section 132D of the Act, there is still in effect a resolution approving the issuance of shares by the Company.

9. In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers of paying commissions conferred by Section 58 of the Act, provided that the commission paid or agreed to be paid shall not exceed ten per cent (10%) of the price at which the shares in respect of which the commission is paid are issued and shall be disclosed in the manner required by that Section. The Company (or the Directors on behalf of the Company) may on any issue of shares pay such brokerage as may be lawful.
10. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions prescribed by Section 69 of the Act, pay interest on so much of that share capital as is for the time being paid up, and may charge the same to capital as part of the cost of construction of the works, buildings or plant.
11. Except as authorised by law and as provided under the Rules, no person shall be recognised by the Company as holding any Securities upon any trust, and the Company shall not be bound by or recognise (even when having notice of it) any equitable, contingent, future or partial interest in any Securities or (except only as provided by law or these Articles or by the Rules) any interest in any fractional part of a Security or any other right in respect of any securities, except an absolute right to the entirety thereof in the registered holder.

#### **PREFERENCE SHARES**

12. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued, any shares in the Company (whether forming part of the original capital or not) may be issued with or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by special resolution determine, PROVIDED THAT:-
  - (1) the holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and audited accounts and attending general meetings of the Company PROVIDED always that preference shareholders shall not have the right to vote at any general meeting except on each of the following circumstances:-
    - (a) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
    - (b) on a proposal to reduce the Company's share capital;
    - (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
    - (d) on a proposal that affects rights attached to the share;
    - (e) on a proposal to wind up the Company; and
    - (f) during the winding up of the Company.
  - (2) the Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 4 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking therewith.
13. Subject to the Act and these Articles, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as may be provided for by these Articles.

14. The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths (3/4) of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

#### **ISSUE OF SECURITIES**

15. Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall issue, allot Securities and despatch notices of allotment to every person whose name is entered as a depositor in the Record of Depositors or a member in the Register and make an application for the quotation of such Securities within the period of time as prescribed under the Listing Requirements or by the Bursa Securities from time to time.
16. All new issues of Securities for which listing is sought shall be made by way of crediting the securities accounts of the allottees with such Securities save and except where it is specially exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall be similarly exempted from compliance with this requirement. For this purpose, the Company shall notify the Bursa Depository of the names of the allottees and all such particulars required by the Bursa Depository to enable the Bursa Depository to make appropriate entries in the securities accounts of such allottees.
17. The Company shall not cause or authorise its share registrars to cause the allottees to be credited with the additional Securities until after the Company has filed with the Bursa Securities any applications for listing such additional Securities and has been notified by the Bursa Securities that the additional Securities has been authorised for listing.

#### **LIEN**

18. Subject to the Act, the Central Depositories Act and the Rules, the Company shall have a first and paramount lien on every share (not being a fully paid share) and the dividends from time to time declared on such shares, for all unpaid calls and instalments in respect of such specific shares and for such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.
19. Subject to the Act, the Central Depositories Act and the Rules, the Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death, bankruptcy or mental disorder or operation of law.
20. To give effect to a sale, the Directors may authorise some person to transfer subject to the Act, the Central Depositories Act and the Rules, the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
21. The net proceeds of the sale shall be received by the Company and applied in payment of so much of the amounts for which the lien exists as is presently payable, and the residue (subject to a like lien for amounts not presently payable as existed on the shares prior to the sale) shall be paid to the person entitled to the shares at the date of the sale or his executors, administrators or assignees or as he directs.

### **CALLS ON SHARES**

22. The Directors may subject to the provisions of these Articles from time to time make such calls upon the Members as the Directors may think fit in respect of the amount unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium), and not by the conditions of allotment made payable at fixed times. Except in the case of calls payable at fixed times pursuant to the conditions of allotment each Member shall be entitled to receive at least fourteen (14) clear days' notice specifying the time or times and place of payment. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from that day to the time of actual payment at such rate, not exceeding ten per cent (10%) per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
24. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable and in case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture and otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
25. The Directors may, on the issue of shares, differentiate between the holders in the amount of calls to be paid and in the times of payment.
26. The Directors may, if they think fit, receive from any Member all or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any of the monies so advanced may (until the same would but for such advance become presently payable) pay interest at such rate, not exceeding (unless the Company in general meeting shall otherwise direct) ten per cent (10%) per annum, as may be agreed upon between the Directors and the Member but no money so advanced shall, whilst carrying interest, confer any right to participate in profits.

### **FORFEITURE AND SURRENDER OF SHARES**

27. If a Member fails to pay the whole or any part of any call or instalment after it has become due and payable, the Directors may give to such Member at least fourteen (14) clear days' notice requiring payment of the amount unpaid together with any interest and expenses which may have accrued. The notice shall name the place where payment is to be made, and shall state that if the notice is not complied with, the shares on which the call was made will be liable to be forfeited.
28. If the notice is not complied with, any share in respect of which the notice has been given may, before the payment of all calls, interest and expenses due in respect thereof has been made be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other monies payable in respect of the forfeited shares and not paid before the forfeiture. When any share has been forfeited in accordance with these presents, notice of the forfeiture shall forthwith be given to the Bursa Depository and to the person who was the holder of the share, within fourteen (14) days of the forfeiture. The Directors may accept the surrender of any share when they are in a position to forfeit such share by way of compromise of any question as to the holder being property registered in respect thereof or in any other case allowed by law.

29. Subject to the Central Depositories Act and the Rules, a forfeited or surrendered share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
30. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered shares, but shall, notwithstanding the forfeiture or surrender, remain liable to pay to the Company all monies which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares, with interest thereon at ten per cent (10%) per annum from the date of forfeiture or surrender until payment but the Directors shall be at liberty to waive payment of such interest wholly or in part.
31. Subject to any lien for amounts not presently payable, if any, any residue of the proceeds of forfeited shares sold re-allotted or otherwise disposed of, after the satisfaction of the unpaid calls or instalment and accrued interest and expenses shall be paid to the person whose shares have been forfeited or his executors, administrators, assignees, guardians or receivers or the committee of his estate or as he directs.
32. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited or surrendered on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and the Directors may authorize some person to execute transfer of the share pursuant to the Act in favour of the person to whom the share is sold or otherwise disposed of and subject to the Central Depositories Act and the Rules, the person to whom the share is sold or otherwise disposed shall be registered as the holder thereof, and his title to the share shall not be affected by any irregularity or invalidity in the proceedings relative to the forfeiture, sale or other disposal of the share.

#### **TRANSFER OF SECURITIES**

33. Subject to these Articles, the Act, the Central Depositories Act and the Rules and except as may be required by law, there shall be no restriction on the transfer of fully paid Securities.
34. The transfers of any Listed Securities or class of Listed Securities in the Company shall be by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Section 103 and 104 of the Act, but subject to Subsection 107C(2) of the Act and any exemption that may be made for compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Listed Securities.
35. The Bursa Depository may in its absolute discretion refuse to register any transfer if it does not comply with the Central Depositories Act or the Rules.
36. Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of Listed Securities although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the Listed Securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside. In every such case, the person registered a transferee, his executors, administrators and assignees, subject to compliance with the Act, the Central Depositories Act and the Rules, alone shall be entitled to be recognised as the holder of such Listed Securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.



37. Registration of transfers may be suspended at such time and for such period as the Directors may from time to time determine but so that no part of the Register of Members shall be closed for more than thirty (30) days in the aggregate in any calendar year. At least twelve (12) clear Market Days' (or such other minimum period as may be prescribed by the Bursa Securities) notice of such suspension or of any books closing date shall be given to the Bursa Securities stating the period and purpose of such suspension or closure and be published in a daily newspaper circulating in Malaysia. In relation to the suspension or books closing, the Company shall give written notice to the Bursa Depository to issue the appropriate Record of Depositors in accordance with the Central Depositories Act and the Rules within such time as is required by the Bursa Depository to enable the Bursa Depository to issue the relevant Record of Depositors.
38. Subject to the Central Depositories Act and the Rules, no share shall in any circumstance be transferred to any infant, bankrupt or person of unsound mind.
39. Nothing in these Articles shall preclude the Directors from recognizing a renunciation of the allotment of any share by the allottee in favour of some other person.
40. Subject to the Act, the Company may charge a fee not exceeding Ringgit Malaysia Three (RM3.00) or such other amount as the law permits, in respect of the registration of any probate or letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or other securities.

#### **SHAREHOLDING INFORMATION**

41.
  - (1) The Company may by written notice require any Member within such reasonable time specified in such notice to state to the Company whether he holds any shares in the Company beneficially or as trustee or nominee, and if such Member holds such shares as trustee or nominee, to give to the Company particulars of the person or persons for whom he holds such shares including such persons' names, addresses and other particulars sufficient to enable such persons and the nature of their interest to be identified.
  - (2) The Company may at any time after it has received information under Article 41(1) required by written notice any person identified by any Member as having an interest in any shares to give the particulars referred to in Article 41(1).
  - (3) The Company may also by written notice require any other person whom an interest in a share is being held to make the statements and give the particulars referred to in Article 41(1).
42. The Company may by written notice require a Member to state within such reasonable time specified in such notice whether any of the voting rights carried by any shares in the Company held by him are the subject of any agreement or arrangement under which another person is entitled to control his exercise of those rights and if so, all material particulars of such agreement or arrangement (whether written or oral) and the particulars of all parties to it.

#### **TRANSMISSION OF SECURITIES**

43. Subject to the Central Depositories Act and the Rules, in the case of the death of a holder of Listed Securities in the Company, one (1) of the executors or administrators of the deceased shall, subject to the executor's or administrator's compliance with all the requirements of the Bursa Depository and the Rules and having being recorded in the Record of Depositors as the Depositor in lieu of the deceased holder, be the only person recognised by the Company as having any title to such Listed Securities.

44. Any person becoming entitled to Listed Securities in consequences of the death or bankruptcy of the holder of Listed Securities may, upon the production of such evidence as to his title as may from time to time be properly required by the Bursa Depository, elect either to be registered himself as holder of the Listed Securities or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and also, the aforesaid notice must be served by him on the Bursa Depository. If he shall elect to have his nominee registered, he shall testify his election by executing a transfer of such Security in such form required by the Rules to his nominee. All the limitations, restrictions and provisions of these present relating to the right to transfer Listed Securities and the registration of transfer thereof shall apply to any such notice or transfer as aforesaid as if the death or bankruptcy of the holder of the Listed Securities had not occurred and the notice or transfer were a transfer executed by the holder of those Listed Securities.
45. Where the registered holder of any Listed Securities dies or becomes bankrupt his personal representative or the assignee of his estate, subject to the personal representative or assignee having been recorded in the Record of Depositors as a Depositor in place of the deceased or bankrupt holder, as the case may be, upon the production of such evidence as may from time to time be properly required by the Bursa Depository in that behalf and subject to Article 44 of these Articles shall be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.

#### **TRANSMISSION OF SECURITIES FROM FOREIGN REGISTER**

46. Where:-
- (a) the Securities of the Company are listed on another stock exchange; and
  - (b) the Company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act 1991 or Section 29 of the Security Industry (Central Depositories)(Amendment) Act 1998, as the case may be, under the Rules of the Depository in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.

#### **CONVERSION OF SHARES INTO STOCK**

47. The Company may by ordinary resolution convert any paid-up shares into stock, and re-convert any stock into paid-up shares of any denomination.
48. The holders of stock may transfer the same or any part thereof in the same manner as Listed Securities of the Company, or as near thereto as circumstances admit, but the Directors may from time to time fix the minimum amount of stock transferable provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

49. The holders of stock shall, according to the amount of the stock held by them, have the rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in dividends and in assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.
50. All such provisions of these Articles as are applicable to paid-up shares shall apply to stock and in all such provisions the word "share" shall include "stock" and word "shareholder" and "member" shall include "stockholder".

#### **INCREASE OF CAPITAL**

51. The Company in general meeting may from time to time by ordinary resolution increase its capital by such sum, to be divided into shares of such nominal amounts, as the resolution shall prescribe.
52. The Company may simultaneously with the resolution increasing the capital or at any time thereafter give any lawful directions as to the issue of the new shares. In default of any such direction, or so far as the same shall not extend, the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

#### **ALTERATION OF CAPITAL**

53. (1) The Company in general meeting may by ordinary resolution:-
- (a) consolidate and divided all or any of its share capital into shares of larger nominal amount than its existing shares;
  - (b) subdivide its shares, or any of them, into shares of smaller nominal amount than is specified in the Memorandum of Association and these Articles subject nevertheless to the provisions of the Act; or
  - (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled.
- (2) The Company may be special resolution reduce its share capital and any capital redemption reserve fund or share premium account in any manner authorised by the Act and subject to any consent required by law.

#### **PURCHASE OF OWN SHARES**

54. Subject to the provisions of the Act, the rules, regulations and orders made pursuant thereto and the requirements of the Bursa Securities and any other relevant authority, the Company may, with the sanction of an ordinary resolution of the Members in general meeting, purchase its own shares and/or provide financial assistance to any person for the purpose of purchasing its own shares. Any shares in the Company so purchased by the Company and/or any person shall be dealt with as provided by the Act, the rules, regulations and orders made pursuant thereto and the requirements of the Bursa Securities and/or any other relevant authority.

### **GENERAL MEETINGS**

55. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year in accordance with the provisions of the Act.
56. All general meetings other than annual general meetings shall be called extraordinary general meetings.
57. All general meetings shall be held at such time, day and place as the Directors shall determine. Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution.
58. The Directors may whenever they think fit, convene an extraordinary general meeting and, extraordinary general meetings shall also be convened on any requisition made in accordance with the provisions of the Act, or if the Company defaults in convening a meeting in compliance with a requisition received pursuant to Section 144 of the Act a meeting may be convened by such requisitionists in the manner provided in Section 144 of the Act. Any meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.
59. Subject as hereinbefore provided, every general meeting shall be held at such time and place as the Directors may determine.

### **NOTICE OF GENERAL MEETING**

60. Every notice convening meetings shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. At the same time as Members are notified, such notice shall be advertised in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and shall be sent to each stock exchange upon which the Company is listed and to the Auditors. The Company shall request the Bursa Depository in accordance with the Rules to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. The Company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors").
61. Every notice of meeting shall specify the place, the day and the hour of meeting, and in the case of special business shall also specify the general nature of such business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. The notices convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as special resolution.
62. Subject to Article 82, in every notice of meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him, and that a proxy need not also be a Member and that where a Member appoints two proxies to attend the same meeting, the Member shall specify the proportion of his shareholdings to be represented by each proxy.
63. A meeting shall, notwithstanding that it is called by shorter notice than that required by Article 60, be deemed to have been duly called if it is so agreed:-
  - (1) in the case of a meeting called as the annual general meeting, by all the Members having the right to attend and vote thereat; and

- (2) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority which together holds not less than ninety-five per cent (95%) in nominal value of the shares giving a right to attend and vote.
64. The accidental omission to give notice of any meeting to or the non-receipt by any person shall not invalidate the proceedings at the meeting.

### PROCEEDINGS AT GENERAL MEETINGS

65. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of the receipts and consideration of the profit and loss account, the balance sheet and group account (if any), the reports of the Directors and Auditors and any other documents annexed to the balance sheet, the declaration of dividends, the election of Directors in the place of those retiring by rotation or otherwise, the appointment and fixing of the remuneration of the Auditors and the voting of remuneration to the Directors.
66. No business shall be transacted at any general meeting unless a quorum is present at the commencement of the meeting. For all purposes, two (2) Members present in person and entitled to vote shall be a quorum for all purposes. For the purposes of this Article "Member" includes a person attending as a proxy or representing a corporation which is a Member. The Company shall inform Bursa Depository of the dates of general meetings and shall request Bursa Depository in accordance with the Rules, to issue the General Meeting Record of Depositors. Subject to the Securities Regulations (where applicable), a Depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.
67. If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following that public holiday) at the same time and place, or such other date, time or place as the Directors may by not less than fourteen (14) days' notice appoint, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the adjourned meeting, the Member or Members present at the adjourned meeting shall form a quorum.
68. The Chairman of the Board, if any, or in his absence the Deputy Chairman of the Board, if any, shall preside as chairman at every general meeting of the Company. If there is no such Chairman or Deputy Chairman, or if neither of them be present within fifteen (15) minutes after the time appointed for holding the meeting or if either shall decline to take the chair, the Directors present shall choose one of their number to act as Chairman of such meeting, and if there be no Director chosen who shall be willing to act, the Members present in person or by proxy and entitled to vote shall choose one of their own number present to be Chairman at such meeting.
69. The Chairman may, with the consent of any meeting at which a quorum is present and if so directed by the meeting shall, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
70. Any person entitled to be present and vote at a meeting may submit any resolution to any general meeting provided that at least nine (9) Market Days before the day appointed for the meeting he shall have served upon the Company a notice in writing signed by him containing the proposed resolution and stating his intention to submit the same.

71. Upon receipt of any such notice as mentioned in Article 70 the Secretary shall, in any case where such notice of intention is received before the notice of the meeting is issued, include it in the notice of the meeting and shall in any other case issue as quickly as possible to the Members notice that such resolution will be proposed.
72. (1) At any general meeting a resolution put to the vote of the meeting shall be determined by a show of hands of the Members present in person or by their proxies, unless a poll is demanded (before or upon the declaration of the result of the show of hands):-
- (a) by the Chairman of the meeting; or
  - (b) by at least two (2) Members present in person or by proxy; or
  - (c) by any Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
  - (d) by a Member or Members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- (2) Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or lost or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number, proportion or validity of the votes, recorded in favour of or against such resolution.
73. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand, or join in demanding a poll and, for the purposes of Article 72, a demand by a person as proxy for a Member shall be the same as a demand by a Member.
74. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
75. If a poll is duly demanded, it shall be taken in such manner as the Chairman may direct (including the use of a ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may (and if so directed by the meeting shall) appoint scrutineers for the purpose of the poll and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the results of the poll.
76. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or the poll is demanded, shall be entitled to a second or casting vote.
77. A poll demanded on any question shall be taken either at once or at such time and place as the Chairman directs not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded but a poll demanded on the election of the chairman or on a question of adjournment shall be taken forthwith.
78. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken is announced at the meeting at which it is demanded. In any other case, at least seven (7) Market Days notice shall be given specifying the time and place at which the poll is to be taken. Such notice shall be given (except for the period of notice) as in the case of the meeting at which the poll was demanded or (if such meeting was an adjourned meeting) as in the case of the original meeting.

79. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
80. A resolution in writing executed by or on behalf of each Member who would have been entitled to vote on it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members.

### VOTES OF MEMBERS

81. A Member of the Company shall be entitled to be present and vote at any general meeting in respect of any share or shares upon which all calls due to the Company have been paid.
- (a) Subject to any rights or restrictions attached to any shares, on a show of hands every Member who:-
- (1) being an individual is present in person or by proxy or attorney; or
  - (2) being a corporation, is present by a duly authorised representative or by proxy or attorney
- shall have one (1) vote and on a poll every Member shall have one vote for every share of which he is the holder. On a poll votes may be given either personally or by proxy or by attorney or by a duly authorised representative of a corporate Member.
- (b) A proxy shall be entitled to vote on a show of hands on any question at any general meeting.
82. (a) Subject to the provisions of Article 82(b) and (c), a Member shall not be entitled to appoint more than two (2) proxies to attend and vote at a meeting of the Company instead of him.
- (b) Subject to the provision of Article 82(c), where a Member is an Authorised Nominee, he may appoint not more than two (2) proxies in respect of each Securities Account he holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him.
- (c) Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.
83. Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

84. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative either at a particular meeting of the Company or at all meetings of the Company, and the person so authorised shall in accordance with his authority and until his authority is revoked be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.
85. Any Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote personally, by proxy or attorney PROVIDED that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting.
86. Any person entitled under the Articles pertaining to Transmission of Shares to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares PROVIDED that forty-eight (48) hours before the time appointed for holding the meeting at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote in respect thereof.
87. No Member shall be entitled to vote at any general meeting or to exercise any privilege as a Member nor be counted as one of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid.
88. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
89. On a poll votes may be given either personally or by proxy or attorney and a Member entitled to more than one vote need not, if he votes, use all his votes or cast the votes he uses in the same way.
90. The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without any restriction as to the qualification of such person and the provisions of Sections 149(1)(a) and 149(1)(b) of the Act shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
91. The instrument appointing a proxy shall be in the following form or in such other form as the Directors may approve or in any particular case may accept:-

**AFFIN HOLDINGS BERHAD**

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a Member/Members of the above Company, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him,  
of \_\_\_\_\_ or failing him, the Chairman of the meeting as my/our  
proxy to vote for me/us on my/our behalf at the annual/extraordinary general meeting of the  
Company to be held on [date] and at any adjournment thereof.

Signed....

Dated....



92. The instrument appointing a proxy shall, where Members are to be given an opportunity to instruct the proxy how to vote, be in any form approved by the Directors which enables the Members to determine how their votes are to be cast on each of the resolutions comprised in the business of the meeting for which it is to be used.
93. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, at which the person named as proxy proposes to vote, or the in case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
94. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of instrument the proxy or of the authority under which the instrument of proxy was executed or the transfer of the share (including a transfer pursuant to the Rules) in respect of which the proxy is given, provided that no intimation in writing of such death, unsoundness of mind, revocation or transfer shall have been received by the Office before the commencement of the meeting or adjourned meeting (or in the case of a poll, before the time appointed for the taking of the poll) at which the instrument of proxy is used.

#### **DIRECTORS**

- ~~96~~.95. Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2) nor more than twelve (12) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Director or Directors may act for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company.
- ~~97~~.96. The shareholding qualification for Directors may be fixed by the Company in general meeting and until so fixed no shareholding qualification shall be required. All Directors shall be entitled to receive notice of and to attend and speak at all general meetings of the Company.
- ~~98~~.97. The fees of the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting but the remuneration of the executive directors shall from time to time be determined by the Board. The fees payable to Directors shall not be increased except pursuant to a resolution passed at general meeting when notice of the proposed increase has been given in the notice convening the meeting. The fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover and be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration. The remuneration payable to executive Directors shall not include a commission on or percentage of turnover. Any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.
- ~~99~~.98. The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Board or of committees of the Board or general meetings or otherwise howsoever in connection with the business of the Company.

~~400-99.~~ The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to perform or render any special duties or services outside his ordinary duties as a Director or to go or reside away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors. Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director and may be paid by way of a fixed sum or otherwise as may be arranged Provided Always that such special remuneration shall not be by a commission on or percentage of profits or turnover.

#### **ALTERNATE DIRECTORS**

~~404-100.~~ Any Director (other than an alternate Director) may at any time appoint any person (except another Director) approved by a majority of his co-Directors to be an alternate Director and may remove from office an alternate Director appointed by him.

~~402-101.~~ An alternate Director shall be entitled:-

- (1) to receive notices of all meetings and to attend and vote at any such meeting at which his appointor is not personally present; and
- (2) to generally perform all the functions of his appointor as a Director in his absence.

~~403-102.~~ An Alternate Director shall cease to be an alternate Director if his appointor ceases for any reason to be a Director, but, if a Director retires by rotation or otherwise but is re-elected by the meeting or is deemed to be re-elected at the meeting at which he retires, any appointment of an Alternate Director made by him pursuant to these presents which was in force immediately prior to his retirement shall continue to operate after such re-election as if he had not so retired.

~~404-103.~~ Any appointment or removal of an alternate Director shall be by notice to the Company (deposited at the Office) signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

~~405-104.~~ An election of Directors shall take place each year and at every annual general meeting, at least one-third of the Directors who are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, the number nearest to one-third shall retire from office PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A Director retiring at a meeting shall retain office until the conclusion of the meeting.

~~406-105.~~ Subject to the Act, the Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

~~407-106.~~ No person not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless a notice in writing of intention to propose his election signed a Member and a notice of his consent signed by himself have been left at the Office not more than thirty (30) days nor less than eleven (11) clear days before date appointed for the meeting, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of every candidate for election to the Board shall be served on all Members at least seven (7) days prior to the meeting at which the election is to take place.

- ~~408~~-107. The Company at the meeting at which a Director retires shall fill the vacated office by electing a person thereto. Unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for re-election of the Director retiring at that meeting is put to the meeting and lost or some other person is elected a Director in place of the retiring Director, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a director, be deemed to have been re-elected. A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected.
- ~~409~~-108. At a general meeting at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate resolution and vote unless a resolution for the appointment of two (2) or more persons as Directors by a single resolution shall have first been agreed to by the meeting without any vote being given against it.
- ~~440~~-109. The Company may from time to time by ordinary resolution passed at a general meeting increase or reduce the number of Director, and may also determine in what rotation the increased or reduced number is to go out of office.
- ~~444~~-110. The Directors shall have power at any time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the conclusion of the next annual general meeting and shall be eligible for re-election at such meeting. A Director retiring under this Article shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

#### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- ~~442~~-111. The Company may by ordinary resolution of which special notice has been given remove any Director before the expiration of his period of office, notwithstanding any provisions of these Articles or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company may by ordinary resolution appoint another person in place of the Director so removed and any person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he was appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.
- ~~443~~-112. The office of a Director shall be vacated if he:-
- (1) ceases to be a director by virtue of the Act;
  - (2) resigns his office by notice in writing under his hand sent to or left at the Office;
  - (3) is absent from more than 50% of the total Board of Directors' meetings held during a financial year;
  - (4) is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given;
  - (5) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;
  - (6) becomes bankrupt or compounds with his creditors during his term of office;
  - (7) becomes prohibited from being a director by reason of any order made under the provisions of the Act or any other law.

414.113. The Directors shall cause to be kept the register of their holdings of shares and debentures of the Company and of its holding company (if any), and of any subsidiaries of the Company or its holding company, required by Section 134 of the Act, and shall render the same available for inspection during the period and by the persons therein specified, and shall produce the same at every annual general meeting as required by the Section.

#### **POWERS AND DUTIES OF DIRECTORS**

445.114. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company, and do on behalf of the company all such as are within the scope of the Memorandum and Articles of Association of the Company and as are not by the Act or by these Articles required to be exercised or done by the Company in general meeting, subject nevertheless to these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with these Articles, as may be prescribed by ordinary resolution of the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if the regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

446.115. The Directors may from time to time, and at any time, by power of attorney appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (including power to sub-delegate but not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as the Directors may think fit, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Directors think fit.

447.116. The Directors may procure the establishment and maintenance of any non-contributory or contributory pension, provident or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons who are or shall have been at any time in the employment or service of the Company or any subsidiary company or to any persons who are or have been a director or other officer of and holds or have held salaried employment in the Company or any subsidiary company, or the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid, and subscriptions or guarantees for money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object. Provided that any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only where the Act requires the proper disclosure to the Members of the Company in general meeting.

448.117. Subject to the Act and the Listing Requirements, any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to ratification by shareholders in general meeting.

~~419. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipt for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time determine.~~

420.118. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditors of the Company.

### **BORROWING POWERS OF DIRECTORS**

- ~~421~~.119. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or its wholly owned subsidiaries or of any related corporation. The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for the payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or of any of its subsidiaries.
- ~~422~~.120. If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable from any loss in respect of such liability.
- ~~423~~.121. The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertakings, property or any uncalled capital or issue debentures or other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- ~~424~~.122. The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of charges therein specified.
- ~~425~~.123. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time by resolution determine.

### **MANAGING DIRECTOR**

- ~~426~~.124. The Directors may from time to time appoint any one (1) or more of their body to be the Managing Director. Any such appointment shall be for such period not exceeding 3 years subject to reappointment and on such terms as the Directors think fit.
- ~~427~~.125. The remuneration of the Managing Director shall subject to the terms of any agreement entered into in any particular case and may be by way of salary or commission or participation in profits or otherwise or by any or all these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.
- ~~428~~.126. The Managing Director shall be subject to retirement by rotation, and subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignations and removal as the other Directors, and if he ceases from any cause to be a Director shall ipso facto and immediately cease to be Managing Director.
- ~~429~~.127. The Managing Director shall be subject to the control of the Board who may entrust to and confer upon him any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and, either concurrently with or to the exclusion of their own powers, and may from time to time revoke, withdraw or vary all or any of such powers.

## PROCEEDINGS OF DIRECTORS

- ~~130~~-128. The Directors may meet together for the dispatch of business at such time and place, adjourn and otherwise regulate their meetings as they think fit.
- ~~131~~-129. The quorum necessary for the transaction of the business of the Directors shall be a minimum of 3 attendees or 50% of total board members (whichever is higher).
- ~~132~~-130. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the Directors generally.
- ~~133~~-131. Subject to these Articles, questions arising at any meeting of the Directors shall be decided by a majority of votes. In case an equality of votes, the Chairman shall have a second or casting vote except where only two (2) Directors:-
- (a) constitute a quorum when the question at issue arises for decision; or
  - (b) are competent to vote on the question at issue.
- ~~134~~-132. The remaining Directors or a sole remaining Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or pursuant to these Articles as the necessary quorum, the remaining Directors or Director may, except in an emergency, act only for the purpose of increasing the number of Directors to that minimum number or to summon a general meeting of the Company and for no other purpose.
- ~~135~~-133. A Director may at any time and the Secretary shall on the requisition of a Director summon a meeting of the Directors.
- ~~136~~-134. The Director may from time to time elect and remove a Chairman and Deputy Chairman and determine the period for which they are respectively to hold office. The Chairman so elected, or in his absence the deputy Chairman shall preside at all meetings of the Board but, if no such Chairman or Deputy Chairman is elected, or if at any meeting the Chairman or Deputy Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number to be Chairman of the meeting.
- ~~137~~-135. Meetings of the Board may be held by instantaneous telecommunication devices, with or without visual capacity. A Director shall be deemed to be present at a meeting if he participates by telephone or other electronic means and all Directors participating in the meeting are able to hear one another. A meeting by instantaneous telecommunication device is deemed to be held in Malaysia.
- ~~138~~-136. Every Director shall comply with the provisions of Section 131 and 135 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

~~139~~.137. Subject to the Act and the Listing Requirements, no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established, but the nature and extent of his interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he became so interested or, in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested, provided, nevertheless, that, subject to any other provisions of these Articles, a Director shall not as a Director vote in respect of any contract, proposed contract or arrangement in which he has, directly or indirectly, an interest and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at a meeting upon the consideration of a motion concerning any such contract or arrangement.

A general notice in writing, which complies with Section 131(4) of the Act; given to the Directors by any Director shall be deemed to be sufficient declaration of interest in relation to the subject matter of the notice.

~~140~~.138. A Director of the Company may be or become a director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Director may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers of such corporation), and any director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to be, appointed a director or other officer of such other corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid, provided always that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

#### **COMMITTEES**

~~144~~.139. The Directors may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annual such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person to be members of any such committee or local board, or any managers or agents, and may fix their remuneration, and may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub-delegate, and may authorise the members of any such committee or local board or any of them, to fill any vacancies therein, and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit. The Directors may remove any person so appointed, and may annual or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

442.140. The meetings and proceedings of any such committee consisting of two (2) or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by a regulation made by the Directors under the preceding Article.

443.141. A committee or local board may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting, the chairman is not present within thirty (30) minutes after the time appointed for holding of the meeting, the members present may choose one of their members to be the chairman at the meeting.

#### **VALIDATION OF ACTS OF DIRECTORS**

444.142. All acts done by any meeting of Directors or of a committee established by the Directors, or by any person acting as a Director, member of such committee, local board or agent shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they, or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee, local board as aforesaid and had been entitled to vote.

#### **CIRCULAR RESOLUTIONS**

445.143. A resolution in writing signed or approved by letter, telegram, telex or telefax by all the Directors and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not present in Malaysia but has an alternate who is so present, then such resolution may be signed by such alternate in place of the absent Director. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minute Book. Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates.

#### **SECRETARY**

446.144. The Secretary or Secretaries shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit and any Secretary or Secretaries so appointed may be removed by them without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary or Secretaries who shall be deemed to be the Secretary during the term of his appointment.

#### **MINUTES AND REGISTERS**

447.145. The Directors shall cause minutes to be made in books provided for the purpose:-

- (1) of all appointments of officers made by the Directors;
- (2) of the names of the Directors present at each meeting of Directors and of any committee of Directors and of the Company in general meeting;
- (3) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors;
- (4) of all orders made by the Directors and any committee of Directors.



## THE SEAL

- ~~448~~.146. The Seal shall only be used pursuant to a resolution of the Board or a committee of the Board authorized to use the Seal. The Directors may from time to time make such regulations as they think fit determining the persons and the number of such persons in whose presence the Seal shall be affixed and, until otherwise so determined, every instrument to which the Seal shall be affixed shall be signed autographically by a Director and Secretary or by a second Director or by some other person appointed by the Directors for the purpose PROVIDED ALWAYS that no person dealing with the Company shall be concerned to see or enquire whether any regulations so made have been complied with.
- ~~449~~.147. All forms of certificate for shares, stock or debenture stock or representing any other form of security other than letters of allotment shall be issued under the Seal and bear the autographic signatures of one or more Directors and the Secretary; provided that the Board may by resolution determine that such signatures or either of them shall be dispensed with or be affixed by some method or system of mechanical signature.
- ~~450~~.148. The Company may exercise the powers conferred by Section 35(8) and 100 of the Act respecting an official seal for use outside Malaysia and conferred by Section 101 of the Act respecting a duplicate common seal and such powers shall be vested in the Directors.

## RESERVES

- ~~451~~.149. The Directors may, before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company such sums as they think proper as a fund to meet depreciation or contingencies, or for equalizing dividends or for the payment of special dividends, or for the general liquidation of any debt or liability of the Company or for repairing, improving or maintaining any of the property of the Company, or for such other purposes (being purposes for which the profits of the Company may lawfully be applied) as the Directors shall in their absolute discretion think conducive to the interests of the Company, and may invest the several sums so set aside upon such investments as they think fit (subject to the provision of these Articles) and from time to time vary or realize such investments and dispose of all or any part thereof for the benefit of the Company, and may divide any reserve fund into such special funds as they think fit, with all power to employ the assets constituting the reserve fund in the business of the Company, and that without being bound to keep the same separate from the other assets. The Directors may also, without placing the same to reserve, carry forward any profits they may think prudent not to divide.

## DIVIDEND

- ~~452~~.150. The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly.
- ~~453~~.151. No dividend shall be payable except out of the profits of the Company and no dividend shall be paid in excess of the amount recommended by the Directors.
- ~~454~~.152. Subject to the rights of person (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any part or parts of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly.

- ~~455~~-153. The Directors may if they think fit from time to time pay to the Members such interim dividends as appear to the Directors to be justified by profits of the Company. If at any time the share capital of the Company is divided into different classes the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act in good faith they shall not incur any liability to the holders of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.
- ~~456~~-154. Any general meeting declaring a dividend or bonus may upon the recommendation of the Directors, direct payment or satisfaction of such dividend wholly or partly by the distribution of specific assets and in particular of paid up shares or debentures or debenture stock of any other company or in any one or more of such ways. The Directors shall give effect to such resolution, and where any difficulty arises in regard to the distribution the Directors may settle it as they think expedient, and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustee upon such trust for the persons entitled to the dividend as may seem expedient to the Directors.
- ~~457~~-155. (1) The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company held by him.
- (2) The Directors may retain from any dividend or other monies payable on or in respect of a share other than fully paid shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- ~~458~~-156. Without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided, no dividend shall be paid otherwise than out of profits nor shall any dividend or other monies payable on or in respect of any share bears interest against the Company.
- ~~459~~-157. Subject to the provisions of the Act where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits and losses as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not obligatory to capitalize the same or any part thereof.
- ~~460~~-158. All dividends unclaimed for one (1) year after being declared may be disposed off in accordance with the provisions of the Unclaimed Moneys Act, 1965. The payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company.
- ~~461~~-159. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer PROVIDED THAT any dividend declared on a Deposited Security shall accrue to the Depositor whose name appears on the Record of Depositors.

- ~~462~~.160. Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through post to the last registered address of the holder or person entitled thereto or paid by direct transfer or such other electronic means to the bank account provided by the holder whose name appears in the Record of Depositors. Every such cheque or warrant or payment by direct transfer or such other electronic means shall be made payable to the order of the holder or person entitled thereto, and the payment of any such cheque or warrant or the payment by direct transfer or such other electronic means to the bank account provided by the holder whose name appears in the Record of Depositors shall operate as a good discharge of the Company's obligation in respect of dividend represented thereby, notwithstanding that it may subsequently appear that the cheque has been stolen or that the endorsement thereon or the instruction for the payment by direct transfer or such other electronic means has been forged. Every such cheque or warrant sent or payment by direct transfer or such other electronic means shall be at the risk of the holder or the person entitled to the dividend thereby represented.
- ~~463~~.161. Notwithstanding anything contained herein, a Depositor's entitlement to dividends, right issues, bonus issues or any other rights or options in the Company by virtue of any Deposited Securities standing to the credit of his Securities Account shall be subject to the Act, the Central Depositories Act and the Rules.

#### **CAPITALISATION OF PROFITS AND RESERVES**

- ~~464~~.162. The Company in general meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any part of the account for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution provided that such be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportion aforesaid, or partly in one way and partly in the other and the Directors shall give effect to such resolution. A share premium account and a capital redemption reserve may, for the purposes of this Article, be applied only in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares or, subject to the Act and the requirements of the Bursa Securities, to provide the consideration for the purchase of the Company's own shares.
- ~~465~~.163. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision, by payment in cash or otherwise as they think fit, for the ease of shares or debentures becoming distributable in fractions, and also to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the sums resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

## ACCOUNTS

- ~~166-164.~~ The Directors shall cause proper accounting and other records to be kept in accordance with the Act. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors' and auditors' report shall not exceed four (4) months.
- ~~167-165.~~ Subject always to Section 167(4) of the Act, the books of account or records of operations shall be kept at the Office or at such other place as the Directors think fit, and shall at all times be open to inspection by the Directors.
- ~~168-166.~~ The Directors may from time to time determine whether and what extent and at what times and places and under what conditions or regulations the accounting records of the Company or any of them will be open to inspection by Members not being Directors of the Company. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company, except as conferred by statute or authorised by the Directors or by the Company in general meeting.
- ~~169-167.~~ The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Section.
- ~~170-168.~~ A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the Directors' and Auditors' reports, shall not less than twenty-one (21) days before the meeting, be delivered or sent by post to every Member and debenture holder of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles PROVIDED that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware. Any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The requisite number of copies of each of these documents shall at the same time be forwarded to each stock exchange upon which the Company is listed. The Directors shall file with Bursa Securities for public release, a quarterly report which is on a consolidated basis, where applicable, as soon as the figures are available, and in any event not later than two (2) months after the end of each quarter of the financial year, comprising the balance sheet, income statement and explanatory notes.
- ~~171-169.~~ Save as may be necessary for complying with the provisions of the Act or as the Company may by special resolution otherwise resolve, the Directors shall not be bound to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any Member.

## AUDIT

- ~~172-170.~~ Auditors of the Company shall be appointed with Section 8 and 9 of the Act and their duties regulated in accordance with Sections 172 to 175 of the Act.
- ~~173-171.~~ The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting to which any Member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting that concerns the auditors.

## **LANGUAGE**

- ~~174.~~172. Where any accounts, minute books and other records required to be kept by the Act are not kept in Malay or English, the Directors shall cause a true translation of such accounts, minutes books and other records to be made from time to time and shall cause such translation to be kept with the original accounts, minute books or other records for so long as the Act requires them to be kept.

## **AUTHENTICATION OF DOCUMENTS**

- ~~175.~~173. Any Director or Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution by the Company or the Directors and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where any books, records, documents or accounts are kept elsewhere than in the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

## **NOTICES**

- ~~176.~~174. A notice or other document may be served by the Company or the Secretary on any Member or Director, as the case may be, either personally or by prepaid post addressed to such Member or Director at his registered address as described in the Register of Members or Record of Depositors or by leaving it at the address.
- ~~177.~~175. Any notice or other document, if served by post, shall be deemed to have been served or delivered at the time when the letter containing the same is put into the post, and in proving such service or delivery it shall be sufficient to prove that the letter containing the notice or document was properly addressed and posted into the post office as a prepaid letter. A certificate signed by a Director or any other officer of the Company that the envelope or wrapper containing the notice in writing was so addressed, prepaid and posted shall be conclusive evidence thereof. Any notice of advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.
- ~~178.~~176. A notice or other document may also be served by the Company or the Secretary on any Member or Director by telex, facsimile, telegram, electronic mail and other methods of communicating writing in visible form to the address or the number supplied by such Member or Director to the Company and shall be deemed to have been given on dispatch of transmission.
- ~~179.~~177. A notice or other document may be given by the Company to the persons entitled to Listed Securities in consequence of the death, bankruptcy or mental disorder of a Member or by operation of law by sending or delivering it in any manner authorized by these Articles for the giving of notice to a Member, addressed to them by name, or by the title of representatives of the deceased, the official assignee, the committee of the estate of such Member or by any appropriate description at the address supplied for that purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice or other document in any manner in which the same might have been given if the death, bankruptcy, mental disorder or operation of law had not occurred.

### **WINDING UP**

- ~~180.~~178. If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Member or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction thinks fit but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.
- ~~181.~~179. Save that this Article shall be without prejudice to the rights of holders of shares issued upon special terms and conditions, the following provisions shall apply:
- (a) If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively; and
  - (b) If in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid up or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively.
- ~~182.~~180. On the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator without the approval of the Members in general meeting. The amount of commission or fee proposed shall be notified to all Members at least seven (7) days prior to the meeting at which the commission or fee is to be considered.

### **SECRECY CLAUSE**

- ~~183.~~181. Save as may be provided by the Act, no Member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information in respect of any detail of the Company's trading, manufacturing or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors would be inexpedient in the interest of the Company to communicate to the public.

### **INDEMNITY**

- ~~184.~~182. Subject to the provisions of the Act, every Director, Managing Director, agent, auditor, Secretary and other officers for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

### **EFFECT OF THE LISTING REQUIREMENTS**

- ~~185.~~183. (1) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.

- (3) If the Listing Requirements require an act to be done or not be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements requires these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.
- (5) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.
- (6) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.

#### **ARTICLES OF SUBSIDIARIES**

~~186. The Articles of Association of each of the subsidiaries of the Company shall contain the provisions or requirements as set out in Paragraphs 7.29 and 7.31 of the Listing Requirements and such other or further additional provisions or requirements as may from time to time be prescribed by the Stock Exchange.~~

#### **ALTERATION OF ARTICLES**

~~187. The Company shall not delete, amend or add to any of these Articles unless the prior written approval of the Exchange has been sought and obtained.~~

~~189.~~184. Where any amendment is made by the Bursa Securities to the provisions of the Chapter 7 of Listing Requirements, the Company shall make corresponding amendments(s) to its Articles of Association to reflect the said amendment(s) unless its Articles include the provision in Articles 183 or its equivalent.

#### **COMPLIANCE WITH CENTRAL DEPOSITORIES ACT AND THE RULES**

~~188.~~185. Notwithstanding these Articles, the Company shall comply with the Act, the Central Depositories Act and the Rules in respect of all matters relating to the Listed Securities.

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**APPENDIX II: FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

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

**2. MATERIAL CONTRACTS**

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.

**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 2011 and 2012;



## EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

### 1. 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 Part A of the Circular to Shareholders dated 29 March 2013 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."

### 2. SPECIAL RESOLUTION

#### **PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED ADOPTION")**

"THAT, the regulations contained in the draft Articles of Association of the Company as set out in the Appendix 1 of Part B of the Circular to shareholders dated 29 March 2013 be hereby approved and adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association thereof."

**Note:**

**The above resolutions are for information purposes only. Please refer to the Notice of the Thirty-Seventh (37th) AGM set out in the 2012 Annual Report of the Company despatched together with this Circular.**