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**AFFIN HOLDINGS BERHAD**

(Company No. 23218-W)

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

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

The resolution pertaining to the above proposal is set out in the Notice of the Company's Fortieth (40<sup>th</sup>) Annual General Meeting ("**AGM**") which is attached in the Annual Report of the Company for the financial year ended 31 December 2015 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 : 16 April 2016 at 10.00 a.m.

Date and time of the AGM : 18 April 2016 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 25 March 2016

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## DEFINITIONS

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

“ABB”	:	AFFIN Bank Berhad (25046-T), a wholly-owned subsidiary of AFFIN
“Act”	:	Companies Act, 1965, as may be amended from time to time and any re-enactment thereof
“AFFIN” or the “Company”	:	AFFIN Holdings Berhad (23218-W)
“AFFIN Capital Services”	:	AFFIN Capital Services Berhad (22728-T) (formerly known as AFFIN Fund Management Berhad)
“AFFIN Group” or the “Group”	:	AFFIN and its subsidiary companies as defined in Section 5 of the Act
“AFFIN Hwang Investment”	:	AFFIN Hwang Investment Bank Berhad (14389-U), a wholly-owned subsidiary of AFFIN
“AFFIN Hwang Asset Management”	:	AFFIN Hwang Asset Management Berhad (429786-T), a 70% owned subsidiary of AFFIN Hwang Investment
“AFFIN Investment”	:	AFFIN Investment Berhad (9999-V), a wholly-owned subsidiary of AFFIN (formerly known as AFFIN Investment Bank Berhad)
“AFFIN Islamic”	:	AFFIN Islamic Bank Berhad (709506-V), a wholly-owned subsidiary of ABB which in turn is a wholly-owned subsidiary of AFFIN
“AGM”	:	Annual General Meeting
“AXA AFFIN Life”	:	AXA AFFIN Life Insurance Berhad (723739-W), a 51% owned joint venture company of AFFIN
“Board”	:	Board of Directors of AFFIN
“Boustead”	:	Boustead Holdings Berhad (3871-H), a major shareholder of AFFIN and a 58.43% owned subsidiary of LTAT as at LPD
“Boustead REIT”	:	Boustead REIT Managers Sdn Bhd (90953-K), a 58.43% effectively owned subsidiary of LTAT as at LPD
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“CMSA”	:	Capital Market and Services Act, 2007
“Director”	:	Shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the Recurrent Related Party Transactions were agreed upon, a director of AFFIN (or any other company which is its subsidiary or holding company) or a Chief Executive Officer of AFFIN, its subsidiary or holding company
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities and all amendments thereto

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**DEFINITIONS (continued)**

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“LPD”	:	29 February 2016 being the latest practicable date prior to the printing of this Circular
“LTAT”	:	Lembaga Tabung Angkatan Tentera, a major shareholder of AFFIN
“Major Shareholder”	:	<p>A person who is or was within the preceding six (6) months of the date on which the terms of the Recurrent Related Party Transactions were agreed upon, has an interest or interests in one (1) or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is</p> <p>(i) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the company; or</p> <p>(ii) equal to or more than not less than 5% of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the company</p> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6(a) of the Act and for the purpose of the Proposed Shareholders Mandate, include a major shareholder of AFFIN or any corporation which is AFFIN’s subsidiary or holding company</p>
“Nikko Asset Management”	:	Nikko Asset Management International Limited, a major shareholder of AFFIN Hwang Asset Management Berhad with a 30% equity interest as at LPD
“Proposed Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate and additional shareholders’ mandate for the AFFIN Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day to day operations and are in the ordinary course of business of the Group
“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
“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
“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
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Share(s)”	:	Ordinary share(s) of RM1.00 each in AFFIN
“2015 Annual Report”	:	Annual report of AFFIN issued for the financial year ended 31 December 2015

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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**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

25 March 2016

**Board of Directors of AFFIN:**

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

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

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

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

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

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

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

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

Joseph Yuk Wing Pang (*Non-Independent Non-Executive Director*)

Lee Chor Kee (*Alternate Director to Ignatius Chan Tze Ching*)

Peter Yuen Wai Hung (*Alternate Director to Joseph Yuk Wing Pang*)

**To: The shareholders of AFFIN**

Dear Sir/Madam

**PROPOSED SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

At the 39<sup>th</sup> AGM held on 20 April 2015, the Company had obtained a general mandate from its shareholders for the Company and its subsidiaries to enter into Recurrent Related Party Transactions with Related Parties that are necessary for the day-to-day operations and are in the ordinary course of business carried out on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public.

The said general mandate for Recurrent Related Party Transactions shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 40<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 24 March 2016, the Board had announced to Bursa Securities that the Company proposes to seek approval from its shareholders for the renewal of general mandate and additional mandate for the Company and/or its subsidiaries to enter into the Recurrent Related Party Transactions with the classes of Related Parties at the forthcoming 40<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 40<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 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>
ABB	100.00	Provision of commercial banking and hire purchase services
AFFIN Hwang Investment	100.00	Provision of investment banking services
AFFIN Moneybrokers Sdn Bhd	100.00	Money-broking
AFFIN-ACF Holdings Sdn Bhd	100.00	Investment holding
AXA AFFIN Life	51.00	Underwriting of life insurance business (joint venture company)
AFFIN Capital Sdn Bhd	-	In members' voluntary winding-up
AFFIN Investment	-	In members' voluntary winding-up

<b>Name of Company</b>	<b>Effective equity interest held (%)</b>	<b>Principal Activities</b>
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*Subsidiary companies of ABB*

AFFIN Islamic	100.00	Islamic banking services
ABB Trustee Berhad <sup>#</sup>	100.00	Trustee management services
PAB Properties Sdn Bhd	100.00	Property management services
ABB Nominee (Tempatan) Sdn Bhd	100.00	Share nominee services
ABB Nominee (Asing) Sdn Bhd	100.00	Dormant
AFFIN Factors Sdn Bhd	100.00	Dormant
PAB Property Development Sdn Bhd *	100.00	Dormant
AFFIN Futures Sdn Bhd	100.00	Dormant
ABB IT & Services Sdn Bhd	100.00	Dormant
BSNCB Nominees (Tempatan) Sdn Bhd	100.00	Dormant
BSNC Nominees (Tempatan) Sdn Bhd *	100.00	Dormant
AFFIN Recoveries Berhad	100.00	Dormant
AFFIN-ACF Nominees (Tempatan) Sdn Bhd *	100.00	Dormant

*Joint Venture Companies of AFFIN Islamic*

AFFIN-i Nadayu Sdn Bhd	50.00	Property Development (Joint venture company)
KL South Development Sdn Bhd	30.00	Property Development (Joint venture company)

*Notes:*

<sup>#</sup> 80% held by ABB's directors in trust for ABB

<sup>\*</sup> Application to strike off the name of the company had been filed with Suruhanjaya Syarikat Malaysia ("**SSM**") (amendment)

<b>Name of Company</b>	<b>Effective equity interest held (%)</b>	<b>Principal Activities</b>
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*Subsidiary companies of AFFIN Hwang Investment*

AFFIN Hwang Asset Management	70.00	Asset Management and management of unit trust & private retirement scheme
AFFIN Hwang Nominees (Asing) Sdn Bhd	100.00	Nominee services
AFFIN Hwang Nominees (Tempatan) Sdn Bhd	100.00	Nominee services
AFFIN Hwang Futures Sdn Bhd	-	In members' voluntary winding-up

*Subsidiary companies of AFFIN Investment*

AFFIN Nominees (Asing) Sdn Bhd	-	In members' voluntary winding-up
AFFIN Nominees (Tempatan) Sdn Bhd	-	In members' voluntary winding-up

*Subsidiary companies of AFFIN Hwang Asset Management*

Asian Islamic Investment Management Sdn Bhd	70.00	Islamic fund management
AFFIN Capital Services	70.00	Dormant

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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin	Chairman of AFFIN, nominated by LTAT
Tan Sri Dato' Seri Lodin bin Wok Kamaruddin	Common Director of AFFIN, ABB, AFFIN Islamic, AFFIN Hwang Investment, AFFIN Hwang Asset Management, AXA AFFIN Life, Boustead, Boustead Properties Berhad (" <b>Boustead Properties</b> "), Boustead Travel Services Sdn Bhd (" <b>Boustead Travel</b> "), Boustead REIT, Boustead Hotels & Resorts Sdn Bhd, Boustead Petroleum Marketing Sdn Bhd and Chief Executive of LTAT
Rosnah binti Omar	An Independent Director of AFFIN
Loke Kah Meng	Chief Executive Officer/Managing Director of AXA AFFIN Life, nominated by AXA Asia Pacific Ltd
Benoit Michel Claveranne (Resigned on 1.3.2016)	A former Director of AXA AFFIN Life, nominated by AXA Asia Pacific Ltd
Ignatius Chan Tze Ching	A Director of AFFIN, nominated by The Bank of East Asia, Limited
Joseph Yuk Wing Pang (Appointed on 29.4.2015)	A Director of AFFIN, nominated by The Bank of East Asia, Limited
Lee Chor Kee (Appointed on 6.4.2015)	An Alternate Director of AFFIN, nominated by The Bank of East Asia, Limited
Peter Yuen Wai Hung (Appointed on 29.4.2015)	An Alternate Director of AFFIN, nominated by The Bank of East Asia, Limited
David Jonathan Semaya (Appointed on 29.4.2015)	A Director of AFFIN Hwang Asset Management, nominated by Nikko Asset Management

Related Parties	Relationship
<b>2. Interested Major Shareholders</b>	
LTAT	A major shareholder of AFFIN with 35.42% direct interest and 20.72% indirect interest; and a major shareholder of Boustead with 58.43% direct interest as at LPD
Boustead	A major shareholder of AFFIN with a 20.69% direct interest and 0.03% indirect interest; and a 58.43% owned subsidiary of LTAT as at LPD
The Bank of East Asia, Limited	A major shareholder of AFFIN with 23.52% direct interest as at LPD
AXA Asia Pacific Ltd	A major shareholder of AXA AFFIN Life
Nikko Asset Management	A major shareholder of AFFIN Hwang Asset Management
<b>3. Persons Connected to Interested Directors and Interested Major Shareholders</b>	
Boustead	A major shareholder of AFFIN with a 20.69% direct interest and 0.03% indirect interest; and a 58.43% owned subsidiary of LTAT as at LPD
Boustead Curve Sdn Bhd ( <b>"Boustead Curve"</b> )	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Boustead Hotels & Resorts Sdn Bhd ( <b>"Boustead Hotels &amp; Resorts"</b> )	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Boustead Information Technology Sdn Bhd ( <b>"Boustead Information Technology"</b> )	A wholly-owned subsidiary of Boustead which in turn is a substantial shareholder of AFFIN
Boustead Petroleum Marketing Sdn Bhd ( <b>"Boustead Petroleum"</b> )	A 42% effectively owned subsidiary of Boustead and a 54.80% effectively owned subsidiary of LTAT as at LPD
Boustead Properties	A wholly-owned subsidiary of Boustead
Boustead Realty Sdn Bhd ( <b>"Boustead Realty"</b> )	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Boustead REIT	A 58.43% effectively owned subsidiary of LTAT as at LPD

Related Parties	Relationship
<b>3. Persons Connected to Interested Directors and Interested Major Shareholders (continued)</b>	
Boustead Travel	A wholly-owned subsidiary of Boustead which in turn is a substantial shareholder of AFFIN with a 20.69% direct interest and 0.03% indirect interest in AHB
Boustead Weld Quay Sdn Bhd ("Boustead Weld Quay")	A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead
Irat Hotels & Resorts Sdn Bhd ("Irat")	A 70% owned subsidiary of Irat Properties Sdn Bhd which in turn is a 85.66% effectively owned subsidiary of LTAT as at LPD
Perbadanan Perwira Niaga Malaysia ("Perwira Niaga")	A wholly-owned corporation of LTAT
Tricor Investor & Issuing House Services Sdn Bhd ("Tricor Issuing House")	A wholly owned subsidiary of Tricor Services (M) Sdn Bhd which in turn is an indirect subsidiary of The Bank of East Asia, Limited
Tricor Investor Services Sdn Bhd ("Tricor Investor Services")	A wholly owned subsidiary of Tricor Services (M) Sdn Bhd which in turn is an indirect subsidiary of The Bank of East Asia, Limited

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## 2.2.2 Nature of Recurrent Related Party Transactions

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

AFFIN Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup>	Estimated aggregate value of transaction from date of 40 <sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
<b>FOR RENEWAL OF SHAREHOLDERS' MANDATE</b>						
AFFIN	Irat	Rental payment by AFFIN for office premises, car park and utilities charges payable monthly for a lease term renewable every three (3) years and payment for other related services	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	930	930	834
	Boustead Travel	Provision of travelling related services to AFFIN	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	640	210	46

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
AFFIN (continued)	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AFFIN	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	410	370	234
	Boustead Information Technology	Provision for information technology support services and facility for external storage to AFFIN	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	10	10	2
	Tricor Issuing House	Special registrar services provided to AFFIN	<u>Interested Directors</u> Ignatius Chan Tze Ching, Joseph Yuk Wing Pang, Lee Chor Kee and Peter Yuen Wai Hung <u>Interested Major Shareholder</u> The Bank of East Asia, Limited	230	220	28

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
ABB	Pewira Niaga	Rental payment for office premises, service charge and space for Automated Teller Machine ("ATM") at various locations for a lease period ranging from two (2) to three (3) years	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	170	150	125
	Boustead Travel	Provision of travelling related services to ABB	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,000	1,000	852
	Boustead Properties	Rental payment by ABB for office premises and car park payable monthly for a lease term renewable every five (5) years (Menara AFFIN)	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	12,800	12,800	10,821

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
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) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	350	260	219
	Boustead Curve	Rental payment by ABB for office premises, car parking and utilities charges for a lease term renewable every three (3) years and payment for other related services (The Curve)	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	220	170	198 [see note (iii) & (vii)]
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to ABB	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,000	1,200	363

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
ABB (continued)	Boustead Hotels & Resorts	Rental payment by ABB for space of ATM machine at The Royale Chulan Kuala Lumpur Hotel	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	20	20	11
	Boustead Petroleum	LED advertising charges and related expenses to ABB	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	100	100	68
	Boustead Petroleum	Rental payment by ABB for space of ATM machine at BHP petrol stations	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	180	180	149



<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
ABB (continued)	Rosnah binti Omar	Rental payment by ABB for branch premises payable monthly for a lease term renewable every three (3) years (Ara Damansara)	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin, Tan Sri Dato' Seri Lodin bin Wok Kamaruddin and Rosnah binti Omar <u>Interested Major Shareholders</u> LTAT and Boustead	106	120	97
AFFIN Islamic	Boustead Travel	Provision of travelling related services to AFFIN Islamic	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	300	300	96
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AFFIN Islamic	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	10	10	-

AFFIN Group	Related Party	Nature of Transaction	Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup>	Estimated aggregate value of transaction from date of 40 <sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)	Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
AFFIN Hwang Investment	Boustead Realty	Rental for office premises, car parking and utilities charges for a lease term renewable every three (3) years and payment for other related services (Menara Boustead)	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	3,300	2,462	3,468 [see note (iv) & (vii)]
	Boustead Travel	Provision of travelling related services to AFFIN Hwang Investment	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,500	1,500	349
	Boustead Petroleum	Petrol consumption	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	40	40	13

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
AFFIN Hwang Investment (continued)	Boustead Curve	Rental payment by AFFIN Hwang Investment for office premises, car parking and utilities charges for a lease term renewable every three (3) years and payment for other related services (The Curve)	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	400	375	343
	Irat	Rental payment by AFFIN Hwang Investment for office premises, car parking and utilities charges for a renewable lease term every three (3) years and payment for other related services (Chulan Tower)	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	3,480	3,200	3,082
	Boustead Hotels and Resorts	Hotel facilities and refreshment provided to AFFIN Hwang Investment for staff in-house training and other expenses	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	300	300	148

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
AFFIN Hwang Investment (continued)	Boustead	Rental of conference room meeting by AFFIN Hwang Investment	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	10	10	-
	Sure Reach Tricor Record Management Sdn Bhd (Sure Reach Tricor Record)	Payment by AFFIN Hwang Investment for document storage services	<u>Interested Directors</u> Ignatius Chan Tze Ching, Joseph Yuk Wing Pang, Lee Chor Kee and Peter Yuen Wai Hung <u>Interested Major Shareholder</u> The Bank of East Asia, Limited	-	10 [see note (v)]	18 [see note (v) & (vii)]
	Boustead Weld Quay Sdn Bhd	Accommodation and meeting package	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	70	70	9

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
AFFIN Hwang Asset Management	LTAT	Management fees payable by LTAT to AFFIN Hwang Asset Management	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,000	1,000	223
	Boustead Travel	Provision of travelling related services to AFFIN Hwang Asset Management	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	1,000	100	476 [see note (vi) & (vii)]
	Nikko Asset Management	Management fees and sales charge payable by Nikko Asset Management to AFFIN Hwang Asset Management	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	-	2,000	-

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
AFFIN Hwang Asset Management (continued)	Nikko Asset Management	Management fees payable by AFFIN Hwang Asset Management to Nikko Asset Management	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	3,000	5,000	1,316
	Nikko Asset Management	Advisory fees payable by AFFIN Hwang Asset Management to Nikko Asset Management	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	1,500	5,000	744
	Nikko Asset Management	Commission payable by AFFIN Hwang Asset Management to Nikko Asset Management	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	-	1,000	-
AFFIN Moneybrokers	Boustead Realty	Rental payment by AFFIN Moneybrokers for office premises and car park payable monthly for a lease term renewable every three (3) years and payment for other related services	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	390	370	353

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
AFFIN Moneybrokers (continued)	Boustead Travel	Provision of travelling related services to AFFIN Moneybrokers	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	120	120	45
AXA AFFIN Life	Irat	Rental payment by AXA AFFIN Life for office premises, car park and utilities charges for lease term renewable every year and payment for other related services	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead	2,000	1,800	1,676
	AXA Asia Pacific Ltd	Provision of information technology and other support services to AXA AFFIN Life	<u>Interested Directors</u> Loke Kah Meng and Benoit Michel Claveranne <u>Interested Major Shareholder</u> AXA Asia Pacific Ltd	19,200	15,200	8,689

<b>AFFIN Group</b>	<b>Related Party</b>	<b>Nature of Transaction</b>	<b>Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders <sup>(i)</sup></b>	<b>Estimated aggregate value of transaction from date of 40<sup>th</sup> AGM to the next AGM date <sup>(ii)</sup> (RM'000)</b>	<b>Estimated aggregate value of transaction disclosed in the preceding year's circular dated 27 March 2015 (RM'000)</b>	<b>Actual value transacted from the previous AGM up to LPD (RM'000)</b>
AXA AFFIN Life (continued)	AXA Asia Pacific Ltd	Software development and license fees charged by AXA Asia Pacific Ltd to AXA AFFIN Life	<u>Interested Directors</u> Loke Kah Meng and Benoit Michel Claveranne  <u>Interested Major Shareholder</u> AXA Asia Pacific Ltd	2,800	6,100	4,618
	Boustead Travel	Provision of travelling related services AXA AFFIN Life	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin  <u>Interested Major Shareholders</u> LTAT and Boustead	750	750	497
	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AXA AFFIN Life	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin  <u>Interested Major Shareholders</u> LTAT and Boustead	150	150	112
<b>Sub-Total</b>				<b>59,486</b>	<b>64,607</b>	<b>40,322</b>



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 40 <sup>th</sup> AGM to the next AGM date # (RM'000)
<b>FOR ADDITIONAL SHAREHOLDERS' MANDATE</b>				
ABB	Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin	Rental payment by ABB for branch premises payable monthly for a lease term renewable every three (3) years (Kulai)	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin  <u>Interested Major Shareholders</u> LTAT and Boustead	60
AFFIN Hwang Asset Management	Boustead Hotels & Resorts	Hotel facilities and refreshment provided to AFFIN Hwang Asset Management	<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
	Boustead Realty	Rental payment by AFFIN Hwang Asset Management for office premises and car park payable monthly for a lease term renewable every three (3) years and payment for other related services	<u>Interested Directors</u> Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin  <u>Interested Major Shareholders</u> LTAT and Boustead	2,600

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 40 <sup>th</sup> AGM to the next AGM date # (RM'000)
AFFIN Hwang Asset Management (continued)	Nikko Asset Management	Other fees and commission payable by Nikko Asset Management to AFFIN Hwang Asset Management	<u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management	5,550
<b>Sub-total</b>				<b>8,310</b>
<b>GRAND TOTAL</b>				<b>67,796</b>

Notes:

- (i) The nature of relationship with the Related Party is outlined in section 2.2.1 of this Circular.
- (ii) The estimated aggregate value of transactions are derived from the sums incurred or received during the past year, based on normal level of transactions entered into by the Group. However the actual value of these transactions may differ from the estimated value stated which is subject to change.
- (iii) The excess in transacted amount is mainly due to the increase of monthly rental with effect from July 2015.
- (iv) The excess in transacted amount is due to higher rental paid for bigger floor space as a result of relocation of office.
- (v) The excess in transacted amount is mainly due to bigger off-site storage requirements as a result of relocation of staff and office. Sure Reach Tricor Record ceased to be a wholly-owned subsidiary of The Bank of East Asia, Limited upon the disposal by Tricor Services (Malaysia) Sdn Bhd of its 100% equity interest in the said company on 16 July 2015. Accordingly, Sure Reach Tricor Record ceased to be a related party effective 16 July 2015.
- (vi) The excess in transacted amount is mainly due to higher travelling incentive for sales staff during the year.
- (vii) In respect of the actual value which individually had exceeded the mandated amount by 10% or more, the Company had not made any announcement to Bursa as the aggregate actual value of the RRPTs over the mandated amount with the same related party had not exceeded by 10% or more.

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

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

### **2.4 Basis of estimates**

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

### **2.5 Review procedures in relation to Recurrent Related Party Transactions**

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

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

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

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

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

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

## **2.6 Audit Committee Statement**

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

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

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

## **2.7 Disclosure in annual report**

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

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

## **2.8 Effects of the Proposed Shareholders' Mandate**

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

## **3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE**

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

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

## **4. APPROVAL REQUIRED**

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

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

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

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b><u>Interested Directors</u></b>				
Gen. (R) Dato' Seri DiRaja Tan Sri Mohd Zahidi bin Haji Zainuddin	40,000	*	-	-
Tan Sri Dato' Seri Lodin bin Wok Kamaruddin	1,051,328 <sup>#</sup>	0.05	-	-
Rosnah binti Omar	-	-	-	-
Ignatius Chan Tze Ching	-	-	-	-
Joseph Yuk Wing Pang (Appointed on 29.4.2015)	-	-	-	-
Lee Chor Kee (Alternate Director to Ignatius Chan Tze Ching) (Appointed on 6.4.2015)	-	-	-	-
Peter Yuen Wai Hung (Alternate Director to Joseph Yuk Wing Pang) (Appointed on 29.4.2015)	-	-	-	-
Loke Kah Meng	-	-	-	-
Benoit Michel Claveranne (Resigned on 1.3.2016)	-	-	-	-
David Jonathan Semaya (Appointed on 29.4.2015)	-	-	-	-
<b><u>Interested Major Shareholders</u></b>				
LTAT	688,154,541	35.42	402,532,529 <sup>@</sup>	20.72
The Bank of East Asia, Limited	456,942,493	23.52	-	-
Boustead	402,012,529	20.69	520,000 <sup>@</sup>	0.03
Nikko Asset Management	-	-	-	-
AXA Asia Pacific Ltd	-	-	-	-

**Notes:**

<sup>#</sup> 11,328 units of ordinary shares are held in trust by a nominee company

<sup>\*</sup> Insignificant

<sup>@</sup> Deemed interest pursuant to Section 6(a) 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 2015 Annual Report, will be held at Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on 18 April 2016 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 2015 Annual Report of the Company) in accordance with the instructions printed thereon and forward it to the Registered Office of AFFIN at 7th Floor, Chulan Tower, 3 Jalan Conlay, 50450 Kuala Lumpur, so as to arrive not later than forty-eight (48) hours before the time for convening the forthcoming AGM.

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

## **8. FURTHER INFORMATION**

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

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

**RAJA TAN SRI DATO' SERI AMAN BIN RAJA HAJI AHMAD**  
Independent Non-Executive Director

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## APPENDIX I: 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 CONTRACT

Save as disclosed below, AFFIN and/or its subsidiary companies have not entered into any material contract outside the ordinary course of business, during the two (2) years immediately preceding the date of this Circular:-

- (i) On 28 March 2014, AFFIN and each of (a) RHB Bank Berhad, RHB Investment Bank Berhad and OCBC Bank (Malaysia) Berhad, (b) RHB Bank Berhad and OCBC Bank (Malaysia) Berhad and (c) RHB Islamic Bank Berhad (collectively, the **"Lenders"**) had entered into the facility agreements for an aggregate bridge loan facility of up to RM1,400 million to fund the Acquisition;
- (ii) On 5 May 2014, AFFIN Investment and AFFIN Hwang Investment had entered into the business transfer agreement (**"Business Transfer Agreement"**) to effect the transfer of the entire business, including all assets (excluding Merchant Nominees (Tempatan) Sdn Bhd and Classic Precision Sdn Bhd) and liabilities of AFFIN Investment to AFFIN Hwang Investment (**"IB Merger"**) for RM762.73 million in cash. The purchase consideration was based on the aggregate of a sum based on the provisional net asset value of the business, including the assets and liabilities of AFFIN Investment as at 31 August 2014 and a fixed sum of RM97.35 million being value attributable to the goodwill of the business. A Vesting Order dated 3 June 2014 was obtained from the High Court of Malaya at Kuala Lumpur to effect the IB Merger;
- (iii) On 29 May 2014, AFFIN, Hwang IB, and collectively RHB Investment Bank Berhad, Public Investment Bank Berhad, AmInvestment Bank Berhad and Credit Suisse Securities (Malaysia) Sdn Bhd had entered into a Management and Underwriting Agreement relating to the renounceable rights issue of 448,372,741 new ordinary shares of RM1.00 each in AFFIN (**"Right Share(s)"**), on the basis of three (3) Rights Shares for every ten (10) AFFIN Shares held on the entitlement date, at an issue price of RM2.76 per Rights Share;
- (iv) On 15 July 2014, AFFIN Investment and AFFIN Hwang Investment had entered into a supplemental business transfer agreement, wherein the parties sought to further exclude AFFIN Capital Services from the IB Merger as contemplated in the Business Transfer Agreement. A supplemental Court Order was obtained from the High Court of Malaya at Kuala Lumpur on 13 August 2014. The IB Merger was completed on 20 September 2014;
- (v) On 14 August 2014, AFFIN Hwang Asset Management and AFFIN Investment had entered into a shares transfer agreement to acquire 100% equity interest in AFFIN Capital Services for RM55 million in cash. The said acquisition was completed on 19 August 2014;



## 2. MATERIAL CONTRACT (continued)

- (vi) On 20 August 2014, AFFIN Capital Services and AFFIN Hwang Asset Management had entered into a business transfer agreement for the transfer of the whole of the assets, liabilities and business undertakings of AFFIN Capital Services to AFFIN Hwang Asset Management ("**IM Merger**") for RM14.28 million in cash. The purchase consideration was based on the net asset value of the business, including the assets and liabilities of AFFIN Capital Services as at 31 August 2014. The IM Merger was completed on 20 September 2014 pursuant to the Court Order granted by the High Court on 25 August 2014;
- (vii) On 19 September 2014, AFFIN Hwang Asset Management had entered into the shares sale and purchase agreements with Nikko Asset Management and AFFIN Hwang Investment for the acquisitions of 51% interest and 49% interest in AIIM for RM11.73 million and RM11.27 million respectively in cash. The total purchase consideration of RM23 million represented an enterprise value/assets under management ("**AUM**") of 1.48% based on AUM (being funds other than those managed on behalf of AFFIN Hwang Asset Management) as at 31 March 2014 of RM1,555.7 million. The said acquisitions were completed on 20 September 2014; and
- (viii) On 30 January 2015, AFFIN Hwang IB and its wholly-owned subsidiary namely AFFIN Hwang Futures Sdn Bhd ("**AHF**") entered into the business transfer agreement to effect the transfer of the whole of the assets, liabilities and business undertakings of AHF as a going concern to AFFIN Hwang IB ("**Futures Transfer**") by way of a vesting order from the High Court of Malaya pursuant to section 139 of the Capital Markets and Services Act 2007. The Futures Transfer was completed on 28 February 2015.

## 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 2014 and 2015; and
- (iii) the material contracts referred in Section 2 above.

## EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

### ORDINARY RESOLUTION

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

**"THAT** authority be and is hereby given in line with Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, for AFFIN Holdings Berhad ("**Company**"), its subsidiaries or any of them to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particulars of which are set out in the Circular to Shareholders dated 25 March 2016 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 of the Company which is to be held pursuant to Section 143(1) of the Companies Act, 1965; or
- (iii) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

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

#### **Note:**

The above resolution is for information purposes only. Please refer to the Notice of the Fortieth (40<sup>th</sup>) AGM set out in the 2015 Annual Report of the Company despatched together with this Circular.