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AFFIN BANK BERHAD
(Company No. 25046-T)
(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 Forty-Third (43rd) Annual General Meeting ("**AGM**") which is attached in the Annual Report of the Company for the financial year ended 31 December 2018 together with the Form of Proxy. The Form of Proxy must be deposited at our share registrar's office, **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time set 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 | : | 27 April 2019 at 10.00 a.m. |
| Date and time of the AGM | : | 29 April 2019 at 10.00 a.m. |
| Venue of AGM | : | Taming Sari Grand Ballroom The Royale Chulan Kuala Lumpur 5 Jalan Conlay 50450 Kuala Lumpur |

DEFINITIONS

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

| | | |
|----------------------------|---|---|
| “ABB” or the “Company” | : | AFFIN Bank Berhad (25046-T) |
| “ABB Shares” | : | Shares in ABB |
| “Act” | : | Companies Act, 2016 |
| “AFFIN Holdings” | : | AFFIN Holdings Berhad (23218-W), a wholly-owned subsidiary of ABB |
| “ABB Group” or the “Group” | : | ABB and its subsidiary companies as defined in Section 4 of the Act |
| “AFFIN Islamic” | : | AFFIN Islamic Bank Berhad (709506-V), a wholly-owned subsidiary of ABB |
| “AFFIN Hwang IB” | : | AFFIN Hwang Investment Bank Berhad (14389-U), a wholly-owned subsidiary of ABB |
| “AHAM” | : | AFFIN Hwang Asset Management Berhad (429786-T), a 70% owned subsidiary of AFFIN Hwang IB as at LPD |
| “AGM” | : | Annual General Meeting |
| “AXA AFFIN Life” | : | AXA AFFIN Life Insurance Berhad (723739-W), a 51% owned joint venture company of ABB |
| “Board” | : | Board of Directors of ABB |
| “Boustead” | : | Boustead Holdings Berhad (3871-H), a major shareholder of ABB and a 59.42% owned subsidiary of LTAT as at LPD |
| “Boustead REIT” | : | Boustead REIT Managers Sdn Bhd (90953-K), a wholly-owned subsidiary of Boustead |
| “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 ABB (or any other company which its subsidiary) or a Chief Executive Officer of ABB or its subsidiary |
| “Listing Requirements” | : | Main Market Listing Requirements of Bursa Securities |
| “LPD” | : | 28 February 2019 being the latest practicable date prior to the printing of this Circular |
| “LTAT” | : | Lembaga Tabung Angkatan Tentera, a major shareholder of ABB |

DEFINITIONS (continued)

| | | |
|--|---|---|
| “Major Shareholder” | : | A person who is or was within the preceding six (6) months of the date on which the terms of the Recurrent Related Party Transactions were agreed upon, has an interest or interests in one (1) or more voting shares in a company and the number, or the aggregate number of those shares, is (i) equal to or more than 10% of the total number of voting shares in the company; or (ii) equal to or more than 5% of the total number of voting shares in the company where such person is the largest shareholder of the company For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act and for the purpose of the Proposed Shareholders Mandate, include a major shareholder of ABB or any corporation which is ABB’s subsidiary |
| “Nikko Asset Management” | : | Nikko Asset Management International Limited, a major shareholder of AHAM with a 30% equity interest as at LPD |
| “Proposed Shareholders’ Mandate” | : | Proposed renewal of shareholders’ mandate and additional shareholders’ mandate for the ABB Group to enter into Recurrent Related Party Transactions |
| “Related Party” or “Related Parties” | : | A Director, Major Shareholder or person connected with such Director or Major Shareholder. For the purpose of the Proposed Shareholders’ Mandate, the Related Parties are set out in Section 2.2.1 of this circular |
| “Recurrent Related Party Transactions” | : | Recurrent related party transactions of a revenue or trading nature which are necessary for the day to day operations and are in the ordinary course of business of the ABB Group, to be entered into by ABB or its subsidiaries with the Related Party(ies) as specified in Section 2.2.2 of this circular |
| “RM” and “sen” | : | Ringgit Malaysia and sen respectively |
| “Share(s)” | : | Ordinary share(s) in ABB |
| “SGD” | : | Singapore dollars |
| “2018 Annual Report” | : | Annual report of ABB issued for the financial year ended 31 December 2018 |

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

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

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AFFIN BANK BERHAD
(Company No. 25046-T)
(Incorporated in Malaysia)

Registered Office:

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

29 March 2019

Board of Directors of ABB:-

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

Encik Mohd Suffian bin Haji Haron *(Non-Independent Non-Executive Director)*

Tan Sri Mohd Ghazali bin Mohd Yusoff *(Independent Non-Executive Director)*

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

Dato' Mohd Hata bin Robani *(Independent Non-Executive Director)*

Dato' Abdul Aziz bin Abu Bakar *(Independent Non-Executive Director)*

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

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

Dato' Rozalila binti Abdul Rahman *(Independent Non-Executive Director)*
(Appointed w.e.f. 4 February 2019)

To: The shareholders of ABB

Dear Sir/Madam

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the 42nd AGM held on 15 May 2018, 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 43rd AGM unless authority for its renewal is obtained from the shareholders of the Company at the said AGM.

In this regard, on 28 March 2019, 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 43rd AGM in accordance with Paragraph 10.09 of Chapter 10 of the Listing Requirements.

Pursuant to Paragraph 3.1.4 of Practice Note 12 of the Listing Requirements, the Proposed Shareholders' Mandate, if approved by the shareholders of ABB, will take effect from the date of the passing of the ordinary resolution proposed at the forthcoming 43rd AGM and shall apply until:-

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

whichever is earlier.

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

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

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Particulars

ABB is principally involved in the provision of commercial banking and hire purchase services while the activities of its subsidiary companies as at LPD are as follows:-

| Name of Company | Effective equity interest held (%) | Principal Activities |
|--------------------------------|---|---|
| AFFIN Islamic | 100.00 | Islamic banking business |
| AFFIN Hwang IB | 100.00 | Provision of investment banking services |
| AFFIN Moneybrokers Sdn Bhd | 100.00 | Money-broking |
| AXA AFFIN Life | 51.00 | Underwriting of life insurance business (joint venture company) |
| AFFIN Holdings | 100.00 | Investment holding |
| 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 Recoveries Berhad | 100.00 | In members' voluntary winding-up |

| Name of Company | Effective equity interest held (%) | Principal Activities |
|---|---|---|
| <i><u>Subsidiary companies of AFFIN Hwang IB</u></i> | | |
| AHAM | 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 |
| AHC Global Sdn Bhd | 100.00 | Investment holdings |
| AHC Associates Sdn Bhd | 100.00 | Investment holdings |
| AFFIN Hwang Trustee Berhad | 100.00 # | Trustee services |
| <i><u>Subsidiary companies of AHAM</u></i> | | |
| Bintang Capital Partners Berhad (formerly known as AFFIN Capital Services Berhad) | 70.00 | Private equity management |
| AIIMAN Asset Management Sdn Bhd | 70.00 | Islamic fund management |
| AccelVantage Academy Sdn Bhd | 51.00 | Training and coaching services |
| AFFIN Hwang AIIMAN Global Sukuk Fund | 44.00 | Investment in Shariah-compliant fixed income instruments |
| TradePlus Shariah Gold Tracker | 47.00 | Investment in Shariah-Gold bar |

Note:

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

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

2.2 Classes and nature of the Recurrent Related Party Transactions

2.2.1 Classes of Related Parties

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

| Related Parties | Relationship |
|---|---|
| 1. Interested Directors | |
| Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) | Chairman of ABB, nominated by LTAT and the Chairman of LTAT |
| Mohd Suffian bin Haji Haron | A Director of ABB, nominated by LTAT |
| David Jonathan Semaya | A Director of AHAM, nominated by Nikko Asset Management |
| Jean Paul Dominique Louis Drouffe | A Director of AXA AFFIN Life, nominated by AXA Asia |
| Rohit Chandrasekharan Nambiar | Chief Executive Officer of AXA AFFIN Life, nominated by AXA Asia |
| Tan Sri Dato' Seri Lodin bin Wok Kamaruddin | A former Director of AHAM, former Group Managing Director and Deputy Chairman of Boustead, a former Director of Boustead Properties Berhad (" Boustead Properties "), Boustead Travel Services Sdn Bhd (" Boustead Travel "), Boustead REIT, Boustead Hotels & Resorts Sdn Bhd, Boustead Petroleum Marketing Sdn Bhd. (Resigned from the respective companies on 31 December 2018). |
| 2. Interested Major Shareholders | |
| LTAT | A major shareholder of ABB with 35.51% direct interest and 20.76% indirect interest; and a major shareholder of Boustead with 59.42% direct interest as at LPD |
| Boustead | A major shareholder of ABB with a 20.73% direct interest and 0.03% indirect interest; and a 59.42% owned subsidiary of LTAT as at LPD |
| AXA Asia | A major shareholder of AXA-AFFIN Life with 49% indirect interest as at LPD |
| Nikko Asset Management | A major shareholder of AHAM |

| Related Parties | Relationship |
|---|--|
| 3. Persons Connected to Interested Directors and Interested Major Shareholders | |
| AXA Technology Services Asia (HK) Limited (“ AXA Technology Services ”) | A wholly-owned subsidiary of AXA Services SAS which in turn is a wholly-owned subsidiary of AXA SA. AXA SA is the ultimate shareholder of AXA-AFFIN Life |
| Boustead Curve Sdn Bhd (“ Boustead Curve ”) | A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead |
| Boustead Hotels & Resorts Sdn Bhd (“ Boustead Hotels & Resorts ”) | A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead |
| Boustead Petroleum Marketing Sdn Bhd (“ Boustead Petroleum ”) | A 42% effectively owned subsidiary of Boustead and a 54.73% effectively owned subsidiary of LTAT |
| Boustead Properties | A wholly-owned subsidiary of Boustead |
| Boustead Travel | A wholly-owned subsidiary of Boustead which in turn is a substantial shareholder of ABB with a 20.73% direct interest and 0.03% indirect interest in ABB |
| Boustead Weld Quay Sdn Bhd | A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead |
| Irat Hotels & Resorts Sdn Bhd (“ Irat ”) | A 70% owned subsidiary of Irat Properties Sdn Bhd which in turn is a 98.83% effectively owned subsidiary of LTAT as at LPD |
| Perbadanan Perwira Niaga Malaysia (“ Perwira Niaga ”) | A wholly-owned corporation of LTAT |
| Boustead Ikano Sdn Bhd | A 50% owned joint venture company of Mutiara Rini Sdn Bhd which in turn a wholly owned subsidiary of Boustead Properties |
| Boustead Realty Sdn Bhd (“ Boustead Realty ”) | A wholly-owned subsidiary of Boustead Properties which in turn is a wholly-owned subsidiary of Boustead |
| Boustead REIT | A wholly-owned subsidiary of Boustead |

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2.2.2 Nature of Recurrent Related Party Transactions

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

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾ | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|---|-----------------|---|--|--|--|--|
| FOR RENEWAL OF SHAREHOLDERS' MANDATE | | | | | | |
| 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 | Interested Directors Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholder</u> LTAT | 200 | 170 | 129 |
| | Boustead Travel | Provision of travelling related services to ABB | Interested Directors Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 1,500 | 1,200 | 1,424 [see note (iii) & (iv)] |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾ | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|--------------------|---------------------|--|---|--|--|--|
| ABB (continued) | 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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 13,000 | 12,000 | 9,837 |
| | 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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholder</u> LTAT | 320 | 320 | 265 |
| | 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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 210 | 210 | 177 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾ | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|--------------------|---------------------------|--|---|--|--|--|
| ABB (continued) | Boustead Hotels & Resorts | Hotel facilities and refreshment provided to ABB | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 1,200 | 1,200 | 897 |
| | Boustead Hotels & Resorts | Rental payment by ABB for space of ATM machine at The Royale Chulan Kuala Lumpur Hotel | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 20 | 20 | 10 |
| | Boustead Petroleum | LED advertising charges and related expenses to ABB | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 100 | 100 | 58 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾ | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|--------------------|---|--|---|--|--|--|
| ABB (continued) | Boustead Petroleum | Rental payment by ABB for space of ATM machine at BHP petrol stations | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 200 | 170 | 153 |
| | Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) | Rental payment by ABB for branch premises payable monthly for a lease term renewable every three (3) years (Kulai) | <u>Interested Director</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) | 70 | 70 | 50 |
| AFFIN Islamic | Boustead Travel | Provision of travelling related services to AFFIN Islamic | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) <u>Interested Major Shareholders</u> LTAT and Boustead | 200 | 200 | 79 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾ | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|---------------------------|---------------------------|---|---|--|--|--|
| AFFIN Islamic (continued) | Boustead Hotels & Resorts | Hotel facilities and refreshment provided to AFFIN Islamic | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 10 | 10 | - |
| AFFIN Hwang IB | 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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 2,600 | 2,600 | 2,049 |
| | Boustead Travel | Provision of travelling related services to AFFIN Hwang IB | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 1,500 | 1,500 | 386 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders (i) | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date (ii) (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|----------------------------|--------------------|--|---|---|--|--|
| AFFIN Hwang IB (continued) | Boustead Petroleum | Petrol consumption | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 40 | 40 | 17 |
| | Boustead Curve | Rental payment by AFFIN Hwang IB 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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | - | 280 | 220 |
| | Irat | Rental payment by AFFIN Hwang IB 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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 2,500 | 2,600 | 1,979 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾ | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|----------------------------|-----------------------------|--|--|--|--|--|
| AFFIN Hwang IB (continued) | 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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 450 | 450 | 99 |
| | Boustead Weld Quay Sdn Bhd | Accommodation and meeting package | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 200 | 100 | 10 |
| AHAM | LTAT | Management fees payable by LTAT to AHAM | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) Mohd Suffian bin Haji Haron, and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholder</u> LTAT | 1,000 | 1,000 | 219 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾ | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|---------------------|-----------------------------|---|--|--|--|--|
| AHAM (continued) | Boustead Travel | Provision of travelling related services to AHAM | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R), Mohd Suffian bin Haji Haron and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead | 2,000 | 2,000 | 262 |
| | Boustead Hotels and Resorts | Hotel facilities and refreshment provided to AHAM for staff in-house training and other expenses | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R), Mohd Suffian bin Haji Haron and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead | 200 | 100 | 4 |
| | Boustead Realty | Rental payment by AHAM 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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R), Mohd Suffian bin Haji Haron and Tan Sri Dato' Seri Lodin bin Wok Kamaruddin <u>Interested Major Shareholders</u> LTAT and Boustead | 3,800 | 3,720 | 2,516 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾ | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|-----------------------|------------------------|---|---|--|--|--|
| AHAM (continued) | Nikko Asset Management | Advisory fees payable by AHAM to Nikko Asset Management | <u>Interested Director</u> David Jonathan Semaya | 1,500 | 1,500 | 670 |
| | | | <u>Interested Major Shareholder</u> Nikko Asset Management | | | |
| | Nikko Asset Management | Management fees payable by AHAM to Nikko Asset Management | <u>Interested Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management | 2,000 | 3,000 | 324 |
| 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 Director</u> David Jonathan Semaya <u>Interested Major Shareholder</u> Nikko Asset Management | 5,000 | 4,200 | 687 |
| | | | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 480 | 450 | 317 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders (i) | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date (ii) (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 200 | 200 | 80 |
| 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. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 2,000 | 2,000 | 1,390 |
| | AXA Asia | Provision of information technology and other support services to AXA AFFIN Life | <u>Interested Directors</u> Rohit Chandrasekharan Nambiar and Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia | 1,000 | 14,000 | 92 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/person(s) connected to interested Directors or interested Major Shareholders ⁽ⁱ⁾ | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date ⁽ⁱⁱ⁾ (RM'000) | Estimated aggregate value of transaction disclosed in the preceding year's circular dated 16 April 2018 (RM'000) | Actual value transacted from the previous AGM up to LPD (RM'000) |
|-------------------------------|---------------------------|---|---|--|--|--|
| AXA AFFIN Life (continued) | AXA Asia | Software development and license fees charged by AXA Asia to AXA AFFIN Life | <u>Interested Directors</u> Rohit Chandrasekharan Nambiar and Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia | - | 4,000 | - |
| | Boustead Travel | Provision of travelling related services to AXA AFFIN Life | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 800 | 1,100 | 255 |
| | Boustead Hotels & Resorts | Hotel facilities and refreshment provided to AXA AFFIN Life | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 150 | 150 | 21 |
| Sub-total | | | | 44,450 | 60,660 | 24,676 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/ person(s) connected to interested Directors or interested Major Shareholders (i) | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date (ii) (RM'000) |
|---|-------------------------|--|--|--|
| FOR ADDITIONAL SHAREHOLDERS' MANDATE | | | | |
| ABB | Boustead Ikano Sdn Bhd | Rental payment by ABB for branch premises payable monthly for a lease term renewable every three (3) years (MyTown branch) | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> L TAT and Boustead | 300 |
| AXA AFFIN Life | AXA Technology Services | Software development and license fees charged by AXA Technology Services to AXA AFFIN Life | <u>Interested Directors</u> Rohit Chandrasekharan Nambiar and Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia | 5,000 |
| | AXA Technology Services | Provision of information technology and other support services to AXA AFFIN Life | <u>Interested Directors</u> Rohit Chandrasekharan Nambiar and Jean Paul Dominique Louis Drouffe <u>Interested Major Shareholder</u> AXA Asia | 12,000 |

| ABB Group | Related Party | Nature of Transaction | Interested Directors/Major Shareholders/ person(s) connected to interested Directors or interested Major Shareholders (i) | Estimated aggregate value of transaction from date of 43 rd AGM to the next AGM date (ii) (RM'000) |
|----------------------------|-----------------|--|--|--|
| AIIMAN Asset Management | Boustead Travel | Provision of travelling related services to AIIMAN Asset Management | <u>Interested Directors</u> Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) and Mohd Suffian bin Haji Haron <u>Interested Major Shareholders</u> LTAT and Boustead | 20 |
| Sub-total | | | | 17,320 |
| GRAND TOTAL | | | | 61,770 |

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 travelling expenses is mainly due to high number of campaigns for deposits in year 2018.
- (iv) 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 ABB Group as at LPD which exceeded the credit terms nor any late payment charges imposed on them pursuant to the Recurrent Related Party Transactions.

2.4 Basis of estimates

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

2.5 Review procedures in relation to Recurrent Related Party Transactions

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

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

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

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

- (d) the annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals from the Board and shareholders have been obtained and review procedures are followed;
- (e) the Board and the Board Audit Committee shall review the internal audit reports to ascertain that the procedures established to monitor Recurrent Related Party Transactions have been complied with;
- (f) if a member of the Board or of the Board Audit Committee has an interest in any Recurrent Related Party Transactions, as the case may be, he/she shall abstain from any deliberation and decision making by the Board or Board Audit Committee in respect of the said transactions;

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

2.6 Board Audit Committee Statement

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

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

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

2.7 Disclosure in annual report

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

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

2.8 Effects of the Proposed Shareholders' Mandate

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

3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE

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

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

4. APPROVAL REQUIRED

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

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

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

| | Direct | | Indirect | |
|---|------------------------|-------|--------------------------|-------|
| | No. of shares | % | No. of shares | % |
| <u>Interested Directors</u> | | | | |
| Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (R) | 40,000 | * | - | - |
| Mohd Suffian bin Haji Haron | - | - | - | - |
| David Jonathan Semaya | - | - | - | - |
| Jean Paul Dominique Louis Drouffe | - | - | - | - |
| Rohit Chandrasekharan Nambiar | - | - | - | - |
| Tan Sri Dato' Seri Lodin bin Wok Kamaruddin | 1,076,400 [#] | 0.06 | - | - |
| <u>Interested Major Shareholders</u> | | | | |
| LTAT | 705,169,155 | 35.51 | 412,162,493 [@] | 20.76 |
| Boustead | 411,630,053 | 20.73 | 532,440 [@] | 0.03 |
| Nikko Asset Management | - | - | - | - |
| AXA Asia | - | - | - | - |

Notes:

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

* Insignificant

@ Deemed interested 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 on the relevant resolutions 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 ABB and its shareholders.

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

7. AGM

The AGM of the Company, the notice of which is enclosed in the 2018 Annual Report, will be held at Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on 29 April 2019 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 2018 Annual Report of the Company) in accordance with the instructions printed thereon and forward it to our share registrar's office, **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the 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 **Appendix I** for further information.

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

ABD MALIK BIN A RAHMAN
Independent Non-Executive Director

APPENDIX I: FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACT

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

- a) On 2 October 2017, ABB entered into a Share Sale Agreement with AFFIN Holdings for the transfer of the following companies by AFFIN Holdings to ABB (“Group Reorganisation”):-
- (i) 100% equity interest in AFFIN Hwang Investment comprising 780,000,000 ordinary shares in AFFIN Hwang Investment for a transfer consideration based on the carrying value of AFFIN Hwang Investment recorded by AFFIN Holdings as at the cut-off date, to be satisfied by the issuance of new ABB Shares;
 - (ii) 100% equity interest in AFFIN Moneybrokers Sdn Bhd (AMB) comprising 1,000,000 ordinary shares in AMB for a transfer consideration based on the carrying value of AMB recorded by AFFIN as at the cut-off date, to be satisfied by the issuance of new ABB Shares;
 - (iii) 51% equity interest in AXA AFFIN Life comprising 187,680,051 ordinary shares in AXA AFFIN Life for a transfer consideration based on the carrying value of AXA AFFIN Life recorded by AFFIN Holdings as at the cut-off date, to be satisfied by the issuance of new ABB Shares; and
 - (iv) the entire equity interest in AXA AFFIN General Insurance Berhad (“AAGI”) held by AFFIN Holdings as at the cut-off date for a purchase consideration based on the carrying value of AAGI as at the cut-off date, to be satisfied wholly in cash.

The Group Reorganisation was completed on 16 October 2017.

- b) On 21 December 2017, ABB entered into a share purchase agreement with Felda Marketing Services Sdn Bhd for the acquisition of 15,325,747 ordinary shares in AAGI (“Shares”) (which represents 12.87% equity interest therein) free for a cash consideration of RM180.54 million or RM11.78 per Share (“Acquisition of AAGI Shares”).

The Acquisition of AAGI Shares was completed on 28 December 2017.

- c) On 5 July 2018, ABB has executed the following transaction documents for the establishment of Additional Tier 1 Capital Securities (“AT1CS”) programme of RM3.0 billion in nominal value (“AT1CS Programme”):-
- (i) Programme Agreement between ABB, AFFIN Hwang IB and Maybank Investment Bank Berhad (as the “Joint Lead Arrangers” and “Joint Lead Managers”) and Affin Hwang Investment (as the “Facility Agent”);
 - (ii) Trust Deed between ABB and Pacific Trustees Berhad (“PTB”, as the “Trustee”); and
 - (iii) all other documents executed by ABB in connection with the AT1CS Programme and agreed by ABB and the Trustee.

- d) On 4 September 2018, ABB issued a letter of award to IJM Construction Sdn Bhd, a wholly-owned subsidiary company of IJM Corporation Berhad for the construction and completion of the superstructure works of the proposed 47-storey office building (Main Building Works) at Tun Razak Exchange, Jalan Tun Razak, Kuala Lumpur for a contract sum of RM505 million. IJM Construction Sdn Bhd had accepted the said letter of award on 4 September 2018. The duration of the Project is 26 months and expected to be completed by December 2020.
- e) On 10 October 2018, AFFIN Islamic has executed the following transaction documents for the establishment of Islamic Medium-Term Notes programme of RM5.0 billion in nominal value for the issuance of Senior Sukuk Murabahah, Tier 2 Sukuk Murabahah (“T2 Sukuk Murabahah”) and/or Additional Tier 1 Sukuk Wakalah (“AT1 Sukuk Wakalah”) (“Sukuk Programme”):-
- (i) Programme Agreement between AFFIN Islamic and AFFIN Hwang IB (as the “Lead Arranger”, “Lead Manager” and “Facility Agent”);
 - (ii) Senior Sukuk Murabahah Trust Deed between Affin Islamic and Pacific Trustees Berhad (“PTB”) (as the “Sukuk Trustee”);
 - (iii) AT1 Sukuk Wakalah Trust Deed between AFFIN Islamic and PTB (as the “Sukuk Trustee”);
 - (iv) T2 Sukuk Murabahah Trust Deed between AFFIN Islamic and PTB (as the “Sukuk Trustee”);
 - (v) Wakalah Agreement between PTB (as the “Sukuk Trustee”) and AFFIN Islamic; and
 - (vi) all other documents executed by AFFIN Islamic in connection with the Sukuk Programme and agreed by AFFIN Islamic and the Sukuk Trustee.

3. MATERIAL LITIGATION

- a) ABB

KUALA LUMPUR HIGH COURT CIVIL NO: 22-NCVC-31-01/2016
 Plaintiff : Abu Bakar bin Ismail
 Defendant : ABB

The Plaintiff was made bankrupt on 17 January 2013. The bankruptcy was set aside in September 2015 on the grounds that he was solvent due to a third party, Chenet Finance Ltd (“Chenet”) being ordered by a Singapore Court to pay damages to the Director General of Insolvency Malaysia (“DGI”) as receiver of Plaintiff’s Estate. On 29 January 2018, the full trial of the suit has been fixed on 27, 28 and 29 August 2018. On 30 July 2018, the Court fixed Case Management on 15 August 2018. On 15 August 2018, full trial was fixed from 27 to 29 August 2018. Hearing was part heard on 27 and 28 August 2018, postponed to 2 October 2018 which was further postponed to 16 and 17 October 2018. On 16 October 2018, the trial dates were vacated as the presiding Judge informed that he will be transferred and a new Judge will take over the matter. On 5 December 2018, the matter came up for Case Management before the new Judge, YA Dato’ Ahmad bin Bache (who took over the matter from the previous Judge), whereby the Court has fixed new trial dates on 25 to 28 March 2019 and 8 to 11 April 2019.

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

- failure to sell 7.2 million shares in Naval Dockyard Sdn Bhd (“NDSB shares”) which was pledged by Suria to the Bank as security for the Facility on a timely basis. On this claim, Plaintiff claims damages under (i) above;
- allowed the release of the Guarantor from her liability upon payment of a certain sum pursuant to her Guarantee without giving the same opportunity to the Plaintiff;

- the Bank had corresponded with the opponent of Plaintiff in Singapore to prevent the Plaintiff from claiming his assets in Singapore. Plaintiff has alleged conspiracy between the Bank and the opponent of the Plaintiff in Singapore. On this claim, Plaintiff claims losses under (ii) above;
- the Bank had wrongfully made Plaintiff a bankrupt in 2013 which bankruptcy was set aside in 2015. On this claim, Plaintiff claims losses under (iii) above;
- the Plaintiff is also claiming the amount of (iv) above being cost of proceedings incurred by him in Singapore.

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

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

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

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

b) AFFIN Hwang IB

A chargor of a piece of land (the “Land”) charged to the Bank as part of the collaterals for a syndicated facility granted to a borrower by a consortium financial institutions, had filed a claim against the Bank on 9 June 2016 for the sum of RM5,185,683.19 or in the alternative damages to be assessed, interests and costs, alleging that the Bank as Security Agent had failed to perform its contractual and/or statutory obligations in relation to the application of the sales proceeds of the Land and had wrongfully deducted the recovery and enforcement expenses, which included expenses for other properties/securities from the surplus of the sales proceed of the Land. As Security Agent, the consortium financial institutions will indemnify the Bank for the claim instituted against the Bank. The Bank had filed an application for disposal of the claim under Order 14A of the Rules of Court 2012. On 4 May 2018, the Kuala Lumpur High Court (“KLHC”) decided in favour of the Bank, by dismissing the chargor’s suit, with costs. Nevertheless, one out of the four questions posed by the Bank was not answered in favour of the Bank, i.e. the chargor was not estopped from disputing the redemption sum. In this regard, the Bank had filed its appeal against the said part of the decision. The chargor had also filed its appeal against the KLHC’s decision. The Court had directed the Bank’s appeal to be heard together with the chargor’s appeal on 9 April 2019. On the balance of probabilities, the Bank’s solicitor is of the view that the Bank has a fairly good chance in succeeding in the Bank’s appeal and in opposing the chargor’s appeal.

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

4. DOCUMENTS FOR INSPECTION

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

- (i) the Constitution of ABB;
- (ii) the audited consolidated financial statements of ABB for the last two (2) financial years ended 31 December 2017 and 2018;
- (iii) the material contracts referred in Section 2 above; and
- (iv) the relevant cause papers in respect of the material litigation referred to in Section 3 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 Bank Berhad ("Company"), its subsidiaries or any of them to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particulars of which are set out in the Circular to Shareholders dated 29 March 2019 with the Related Parties as described in the said Circular, provided that such transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company;

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

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

whichever is earlier.

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

Note:

The above resolution is for information purposes only. Please refer to the Notice of the Forty-Third (43rd) AGM set out in the 2018 Annual Report of the Company despatched together with this Circular.