

(Translation)

Ref. CIMBT.OFP 159/2011

28 November 2011

Subject: Connected transaction regarding assets or services

**To: The President
The Stock Exchange of Thailand**

The Board of Directors' meeting of CIMB Thai Bank Public Company Limited ("the **Bank**") No. 11/2011 held on 25 November 2011, passed a resolution approving the Bank to provide services on IT and back office functions (Insourcing) to Sathorn Asset Management Co., Ltd. ("**STAMC**"). As the Bank and STAMC are member companies of CIMB Group holdings Berhad ("**CIMB Group**"), the transaction is considered a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorJor 21/2551 re: Criteria of Related Party Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) as well as the amendments thereof ("**Notifications of Connected Transactions**"). Details of the connected transaction are as follows:

1. Date of transaction

The transaction is subject to the approval of the Bank's Board of Directors meeting no. 11/2011 which was held on 25 November 2011.

2. Connected persons and nature of relationship

Service provider: The Bank
Service user: STAMC

Relationship with the Bank and scope of beneficial interests of connected persons:

- CIMB Bank Berhad ("**CIMB Bank**") is the major shareholder of the Bank, holding 93.15% of the Bank's total issued and paid-up capital.
- Mutiara Makmur Ventures Sdn Bhd ("**Mutiara Makmur**") is the major shareholder of STAMC, owning 99.99% of the total issued and paid-up shares of STAMC.
- CIMB Group is the 99.99% shareholder of CIMB Bank and 99.99% shareholder of Mutiara Makmur.
- CIMB Group is the major shareholder both directly and indirectly of the Bank, STAMC, CIMB Bank and Mutiara Makmur.

3. General characteristics of the transaction

The Bank has provided services on IT and back office functions (Insourcing) to STAMC covering four areas as below:

1. IT system functions, i.e. email system, Internet system, AS/400 system, CCS and SAFE II system, etc.;
2. Human resource functions, i.e. payroll and welfare;
3. Credit operations (dealing with and calculation of outstanding debts and collection of debt payment); and
4. Finance, accounting and tax functions.

Insourcing contractual term has been one year commencing on 30 November 2010. STAMC has expressed its intention to continue using the services for another four years. The request for the provision of the insourcing services for another four years was on 6 August 2011 approved by the Bank of Thailand ("BOT").

4. Total value of consideration and condition of payment

The Bank will provide services on IT and back office functions for a total cash consideration of approximately THB 32 million (total value under the Insourcing Agreement for the 4-year term). The insourcing is considered a connected party transaction regarding assets or services, pursuant to the Notifications of Connected Transactions. Viewing the total value of the transaction together with the value of other connected transactions occurring during the previous six months before the transaction (but excluding the connected transactions duly approved by the Bank's shareholders meeting), the size of the transaction is 0.28% which is more than 0.03% but less than 3% of the consolidated net tangible assets of the Bank and its subsidiaries based on the reviewed consolidated financial statements of the Bank as of 30 September 2011 (total value of consolidated net tangible assets of the Bank and its subsidiaries according to such financial statements is THB 11,609.62 million).

5. Conditions of the transaction

Any proposed extension of the Bank's insourcing services to STAMC shall be subject to prior approval of the BOT.

6. Opinions of the Board of Directors

The Board (excluding directors deemed to have beneficial interests who had abstained from voting on this matter) has prudently considered the transaction and has opined that, to facilitate STAMC's ongoing business operations, and to enhance income generation for the Bank, it is considered appropriate for the Bank to provide the insourcing services to STAMC.

7. Opinions of Audit Committee and/or directors of the Bank that are different from those of the Board of Directors pursuant to Clause 6 above

The Audit Committee's opinions are in line with those of the Board.

8. Directors with beneficial interests

Mr. Kenny Kim and Dato' Robert Cheim Dau Meng, the representative directors from CIMB Bank, are deemed to have beneficial interests and hence abstained from voting on this matter.

9. Transaction criteria

The transaction is considered a connected transaction which is subject to the approval of the Board of the Bank, whereby directors with beneficial interests (as indicated in Section 8 above) shall abstain from voting thereon.

Please be informed accordingly.

Sincerely yours,

-Signed-

Mr. Thaphop Kleesuwan
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