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BIMB HOLDINGS BERHAD (423858-X)
(Incorporated in Malaysia under the Companies Act, 1965)

❧ **CIRCULAR TO SHAREHOLDERS** ❧
IN RELATION TO

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

The Notice of the Annual General Meeting of the Company to be held at Tun Rahah 1 & 2, Level 1, Menara Yayasan Tun Razak, 200, Jalan Bukit Bintang, 55100 Kuala Lumpur on Wednesday, 17 December 2008 at 10.00 a.m. together with the Form of Proxy are enclosed together with the Annual Report of the Company for financial year ended 30 June 2008. Please complete and return the enclosed Form of Proxy in accordance with instructions printed thereon as soon as possible. The Form of Proxy must be deposited at the Registered Office of Bimb Holdings Berhad at Level 18, Menara Yayasan Tun Razak, 200 Jalan Bukit Bintang 55100 Kuala Lumpur no later than 48 hours before the time appointed for holding the Annual General Meeting. The lodging of the Form of Proxy will not preclude you from attending and voting at the meeting if you are able to do so.

This Circular is dated 25 November 2008

↔ DEFINITIONS ↔

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

Act	: Companies Act, 1965
AGM	: Annual General Meeting
ASB	: Amanah Saham Bumiputera
BIMB Holdings or the Company	: BIMB Holdings Berhad or BHB
BHB Group or the Group	: BIMB Holdings Berhad and its subsidiaries
BIMB	: Bank Islam Malaysia Berhad or Bank Islam
Bursa Malaysia or Exchange	: Bursa Malaysia Securities Berhad
BNM	: Bank Negara Malaysia
Board	: Board of Directors of BIMB Holdings Berhad
BSSB	: BIMB Securities Sdn Bhd
EPF	: Employees Provident Fund Board
Listing Requirements	: Listing Requirements of Bursa Malaysia, as amended from time to time
LTH	: Lembaga Tabung Haji
Major Shareholders	: A person who has an interests in one (1) or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is :- a) Equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the Company; or b) Equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholders of the Company.

For the purpose of this “interest in shares” shall have the meaning given in Section 6A of the Act.

This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company as define above, or any other company which is its subsidiary or holding company.

DEFINITIONS

PNB	:	Permodalan Nasional Berhad
Proposal	:	Proposed Renewal of Shareholders' Mandate
Proposed Renewal of Shareholders' Mandate	:	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature for the day-to-day operations and are in the ordinary course of business of BIMB Holdings Group
Recurrent Transactions or RRPTs	:	Related Party Transaction(s) involving recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are in ordinary course of business of BIMB Holdings Group's business
Related Party Transaction(s)	:	Transaction(s) entered into by BIMB Holdings group which involve(s) the interest, direct or indirect of a Related Party or Related Parties
Related Party or Related Parties	:	A Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)
RM and Sen	:	Ringgit Malaysia and sen respectively
Shareholders' Mandate	:	The mandate obtained by BHB from its shareholders on 13 December 2007 for BHB Group to enter into Recurrent Transactions pursuant to Paragraph 10.09 of the Listing Requirements which was subsequently approved by the Company's shareholders at the AGM held on 13 December 2007
STMB	:	Syarikat Takaful Malaysia Berhad or Takaful Malaysia.

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Registered Office:
Level 18, Menara Yayasan Tun Razak
200, Jalan Bukit Bintang
55100 Kuala Lumpur
25 November 2008

Board of Directors:

Tan Sri Samsudin bin Osman (*Chairman*)
Encik Johan bin Abdullah (*Group Managing Director*)
Dato' Mohd Bakke bin Salleh (*Independent Non-Executive Director*)
Dato' Dr. Abdul Halim bin Ismail (*Non-Independent Non-Executive Director*)
Encik Zahari @ Mohd Zin bin Idris (*Independent Non-Executive Director*)
Encik Salih Amaran bin Jamiaan (*Non-Independent Non-Executive Director*)
Puan Zaiton binti Mohd Hassan (*Independent Non-Executive Director*)
Datuk Ismee bin Ismail (*Non-Independent Non-Executive Director*)
Dato' Hairuddin bin Mohamed (*Independent Non-Executive Director*)

To : The Shareholders of BIMB Holdings Berhad

Dear Sir/Madam

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

1. INTRODUCTION

BIMB Holdings had at its 10th Annual General Meeting held on 13 December 2007, obtained the shareholders' approval to renew the shareholders' mandate for BHB Group to enter into Recurrent Transactions in relation to the requirements of Paragraph 10.09 of the Listing Requirements.

The said shareholders' mandate for RRPTs shall, in accordance with the Listing Requirement, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from shareholders of the Company at the AGM.

The Board had on 29 August 2008 announced that the Company intends to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate for Recurrent Transactions at the forthcoming AGM.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSAL AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM.

SHAREHOLDERS ARE ADVISED TO READ THIS CIRCULAR BEFORE VOTING IN RELATION TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSAL

In compliance with the requirements of Paragraph 10.09 of the Listing Requirements, BIMB Holdings proposes to seek its shareholders approval for the Recurrent Transactions as set out in Section 2.2 of this Circular.

2. DETAILS OF THE PROPOSAL (CONT'D)

The Proposal if approved by the shareholders at the forthcoming AGM will take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until:-

- (a) the conclusion of the next AGM of BIMB Holdings at which it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143 (1) of the CA (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the CA); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

Thereafter, approval by the shareholders for renewals of the mandate will be sought at each subsequent AGM of the Company.

BIMB Holdings is principally an investment holding company. Its subsidiaries are principally engaged in Islamic banking and finance, stockbroking, takaful, unit trusts and providing management consultancy services.

BIMB Holdings has disclosed the breakdown of the aggregate value of Recurrent Transactions conducted during the financial year ended 30 June 2008 in its Annual Report for the said financial year and will continue to disclose the same in the subsequent financial year during which the Proposal is in force, amongst others, based on the following information:-

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

Shareholders' approval is sought for the Proposed Shareholders' Mandate for BIMB Holdings Group to enter into RRPT referred below, provided such transactions are in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available and are not detrimental to the minority shareholders of the Company.

2.1 Subsidiary and Associated Companies

The principal activity of the Company is as an investment holding company. The principal activities of its subsidiaries are as follows :-

Name of subsidiary	Effective ownership interest %	Principal activities
Bank Islam Malaysia Berhad	51.00	Islamic Banking
<i>Subsidiaries of Bank Islam Malaysia Berhad</i>		
Bank Islam (L) Ltd.	100.00	Dormant
BIMB Trust Company (Labuan) Ltd.	100.00	Provides trust and related services
<i>Subsidiary of BIMB Trust Company (Labuan) Ltd.</i>		
BIMB Offshore Bank Management Services Sdn. Bhd.	100.00	Dormant
BIMB Unit Trust Management Berhad	100.00	Manager of unit trust

2.1 Subsidiary and Associated Companies (Cont'd)

The principal activity of the Company is as an investment holding company. The principal activities of its subsidiaries are as follows :- (Cont'd)

Name of subsidiary	Effective ownership interest %	Principal activities
BIMB Foreign Currency Clearing Agency Sdn. Bhd.	100.00	Foreign Currency clearing house
Al-Wakalah Nominees (Tempatan) Sdn. Bhd.	100.00	Provides nominee services
Syarikat Takaful Malaysia Berhad	65.72	Family and general takaful business
<i>Subsidiaries of Syarikat Takaful Malaysia Berhad</i>		
Asean Retakaful International (L) Ltd.	42.85	Offshore retakaful business
P.T. Syarikat Takaful Indonesia	38.04	Holding company
<i>Subsidiaries of P.T. Syarikat Takaful Indonesia</i>		
P.T. Asuransi Takaful Umum	38.04	General takaful business
P.T. Asuransi Takaful Keluarga	38.04	Family takaful business
BIMB Securities (Holdings) Sdn. Bhd.	100.00	Investment holding company
<i>Subsidiaries of BIMB Securities (Holdings) Sdn. Bhd.</i>		
BIMB Securities Sdn. Bhd.	100.00	Stockbroking company
BIMSEC Asset Management Sdn. Bhd.	100.00	Provides investment management services
BIMSEC Nominees (Asing) Sdn. Bhd.	100.00	Provides nominee services
BIMSEC Nominees (Tempatan) Sdn. Bhd.	100.00	Provides nominee services
Syarikat Al-Ijarah Sdn. Bhd.	100.00	Leasing of assets
BIMB Venture Capital Sdn. Bhd.	100.00	Provides advisory, consultancy & related investment services
BIMB Musyarakah Satu Sdn. Bhd.	100.00	Venture capital company and investment company
Pembiayaan Perumahan Nasional Sdn. Bhd.	51.00	Dormant
Arabian Malaysian Takaful E.C	17.04	Health and family takaful business
Islamic Banking and Finance Institute Malaysia Sdn. Bhd.	48.00	Provides research, training, consultancy and academic services
BIRT Academic Services Sdn. Bhd.	48.00	Dormant

2.2 Nature of RRP'Ts

Existing Recurrent Transactions between BIMB Holdings Group and the following related parties in relation to the Proposed Renewal of Shareholders' Mandate are set out in the table below.

Nature of Transactions**	Related Party/Principal Activities	Interested Director and/or major shareholders#	Estimated Aggregate Value from 1 st December 2008 to 30 th November 2009 RM'000	Actual Transaction Value for the year ended 30 th June 2008 RM'000
<ul style="list-style-type: none"> • Brokerage fees payable to BIMB Holdings Group • Rental of office premises payable from BIMB, BIMB Venture Capital Sdn. Bhd. and BIMB Musyarakah Satu Sdn. Bhd. 	<p>LTH LTH is principally involved in promoting members' pilgrimage to Makkah, as well as managing their deposits and investment.</p>	<p>LTH, being a major shareholder of BIMB Holdings with 41.92% shareholding.</p> <p>Tan Sri Samsudin bin Osman, being a nominee director of LTH in BIMB Holdings.</p> <p>Datuk Ismee bin Ismail, being the Group Managing Director and Chief Executive Officer of LTH and also a director of BIMB Holdings (has no direct/indirect shareholding in LTH).</p>	<p>469</p> <p>2,357</p>	<p>321</p> <p>2,236</p>
<ul style="list-style-type: none"> • Brokerage fees payable to BIMB Securities Sdn. Bhd. 	<p>PNB PNB is principally involved in investment holding and provision of management consultancy services.</p>	<p>PNB, being a major shareholder of BIMB Holdings with 6.95% shareholding.</p> <p>Dato' Dr Abdul Halim bin Ismail and Encik Salih Amaran bin Jamiaan, being the nominee directors of PNB in BIMB Holdings.</p>	<p>586</p>	<p>116</p>
<ul style="list-style-type: none"> • Brokerage fees payable to BIMB Securities Sdn. Bhd. 	<p>ASB ASB is a fund scheme initiated under PNB.</p>	<p>ASB, being the major shareholder of BIMB Holdings with 17.28%, registered under Amanah Raya Nominees (Tempatan) Sdn. Bhd.</p> <p>ASB is a wholly owned subsidiary of PNB.</p>	<p>833</p>	<p>390</p>

Nature of Transactions**	Related Party/Principal Activities	Interested Director and/or major shareholders#	Estimated Aggregate Value from 1 st December 2008 to 30 th November 2009 RM'000	Actual Transaction Value for the year ended 30 th June 2008 RM'000
<ul style="list-style-type: none"> Portfolio management fees payable to BIMBSEC Asset Management Sdn. Bhd. Rental of office premises payable by BIMB Leasing of office equipment payable to Syarikat Al-Ijarah Sdn. Bhd. (SAISB) 	<p>STMB STMB is principally involved in family and general takaful business.</p>	<p>Encik Johan bin Abdullah, being the Group Managing Director/Chief Executive Officer of BIMB Holdings and also a Director of STMB.</p>	<p>0</p> <p>8,737</p> <p>394</p>	<p>171</p> <p>7,777</p> <p>394</p>
<ul style="list-style-type: none"> Brokerage fees payable from BIMB, STMB, Al-Wakalah Nominees (Tempatan) Sdn. Bhd. and BIMB Musyarakah Satu Sdn. Bhd. Management fees payable from BIMBSEC Asset Management Sdn. Bhd. Portfolio management fees payable from BIMBSEC Asset Management Sdn. Bhd. 	<p>BSSB BSSB is principally involved in the provision of stock broking and related activities based on the principles of Shariah.</p>	<p>Dato' Dr Abdul Halim bin Ismail, being a director of BIMB Holdings and also an Executive Director of BSSB.</p>	<p>107</p> <p>15</p> <p>3</p>	<p>47</p> <p>15</p> <p>0.4</p>

Nature of Transactions**	Related Party/Principal Activities	Interested Director and/or major shareholders#	Estimated Aggregate Value from 1 st December 2008 to 30 th November 2009 RM'000	Actual Transaction Value for the year ended 30 th June 2008 RM'000
<ul style="list-style-type: none"> Leasing of computer system payable to SAISB Leasing of motor vehicle payable to SAISB Leasing of office equipment payable to SAISB Rental of office premises payable from BIMB Unit Trust Management Berhad and BIMB Foreign Currency Clearing Agency Sdn. Bhd. Rental of office premises payable to SAISB Management fees payable from Syarikat Al-Ijarah Sdn. Bhd., BIMB Holdings Berhad and Al-Wakalah Nominees (Tempatan) Sdn. Bhd. Profit from subordinated Mudharabah Financing payable to BIMB Holdings Berhad Portfolio Management fees payable to BIMBSEC Asset Management Sdn. Bhd. 	<p>BIMB BIMB is principally involved in the provision of Islamic banking and related activities based on the principles of Shariah</p>	<p>Dato' Mohd Bakke bin Salleh, Datuk Ismee bin Ismail, Puan Zaiton binti Mohd Hassan, Encik Zahari @ Mohd Zin bin Idris and Encik Johan bin Abdullah are directors of BIMB Holdings and they are also directors of BIMB. They have no direct/indirect shareholding in BIMB Holdings.</p>	<p>0 0 0 230 153 0 4,140 93</p>	<p>28,145 50 138 230 153 325 4,605 84</p>

Management fees are fees payable to BIMBSEC Asset Management Sdn Bhd for the fund placed/invested with them by our Group Companies especially BIMB Holdings and Bank Islam Malaysia Berhad

** Nature of transactions – existing transaction

The direct and indirect shareholdings of the related parties in BIMB Holdings above are set out in Section 6 below.

Notes:-

* Details of the rental of office premises are set out below:

Related party	Location	Built-up area (sq. feet)	Tenure of tenancy agreement (Year)	Rental per month RM'000
LTH	1. Tingkat Bawah, Bangunan Ibu Pejabat Tabung Haji, Jalan Tun Razak, 50750 Kuala Lumpur	3,000	3	11
	2. Tingkat 17, Bangunan Ibu Pejabat Tabung Haji, Jalan Tun Razak, 50750 Kuala Lumpur	2,245	3	9
	3. Tingkat Bawah, Wisma Serangkai, Jalan Sulaimani, Cukai, 24000 Kemaman, Terengganu	4,725	3	6
	4. Tingkat Bawah, Lot B, Bangunan Tabung Haji, Baling, Jalan Bandar Baru Baling, 09100 Baling, Kedah	3,074	3	3
	5. Tingkat Bawah, Lot 342, Bangunan Tabung Haji, 45500 Tanjung Karang, Selangor	964	3	1
	6. Tingkat Bawah, Lot 7 & 8, Bangunan Tabung Haji, 18300 Gua Musang, Kelantan	3,666	3	3
	7. Tingkat 15, Menara TH Perdana, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur	2,430	3	8
	8. Tingkat 22-25, Menara TH Perdana, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur	38,700	3	115
	9. Tingkat 15, Menara TH, PTB 20485, Jalan Air Molek, 80000 Johor Bahru, Johor	15,622	3	30
STMB	1. Darul Takaful, Jalan Sultan Ismail, 50250 Kuala Lumpur	98,485	2	391
	2. No. Unit CS/3B/G, Tingkat Bawah, Blok 3B Plaza Sentral, KL Sentral 50474 Kuala Lumpur	5,722	3	26
	3. No. 2 & 4, Jalan 6C/7, 43650 Bandar Baru Bangi, Selangor	10,584	3	14
	4. Tingkat Bawah, 1 & 2, lot 3803, Jalan Dato' Ulu Muar, Bandar Kuala Pilah, 72000 Kuala Pilah, Negeri Sembilan	2,048	3	2
	5. Blok Utama, Dataran Kewangan Takaful, No. 4 Jalan Sultan Sulaiman, 50000 Kuala Lumpur	576	3	2
	6. Tingkat Bawah, 1 & 2, No. 16474 & 16475, Pusat Perniagaan Inderapura, Jalan Tras, 27600 Raub, Pahang	18,560	3	8
	7. Lot 433, 434 & 435, Seksyen 11, KTLD Bangunan Tuanku Muhammad Al-Idrus, Jalan Kulias, 93400 Kuching Sarawak	13,712	3	26
	8. Lot 12680, Level 1 & Mezzanine, Jalan Tan Hiok Nee, 80000 Johor Bahru, Johor	8,354	3	36

Related party	Location	Built-up area (sq. feet)	Tenure of tenancy agreement (Year)	Rental per month RM'000
STMB	9. No. 27, 29 & 31, Pusat Komersil Temerloh, Jalan Datuk Bahaman 3, 28000 Temerloh, Pahang	10,032	3	6
	10. Tingkat Bawah & Satu, No. 1 & 2, Jalan Kelicap, Taman Pekan Baru, 34200 Parit Buntar, Perak	6,902	3	3
	11. Tingkat Bawah & Satu, No. 46 & 47, Jalan Rahmat, 83000 Batu Pahat, Johor	5,064	3	6
	12. Tingkat Bawah & Satu, Lot 180 & 181, Jalan Tuan Hitam, 22000 Jerlel, Terengganu	6,803	3	4
	13. Tingkat Bawah & Satu, Lot 1 & 2, Blok 41, Kompleks Komersil Fajar, Jalan Haji Karim, 91000 Tawau, Sabah	6,039	3	14
	14. No. 64 & 65, Kompleks Jitra, Jalan Sungai Korok, 06000 Jitra, Kedah	5,363	3	5
	15. 64D, Lebuhraya Bishop, 10200 Georgetown, Pulau Pinang	7,391	3	26
	16. Lot 54 & 55, Blok 4, Bandar Wilayah Jasa, Jalan Bunga Raya, 91100 Lahad Datu, Sabah	4,512	3	9
	17. Lot 6966 & 6967, Blok 59, Muara Tuang, Jalan Dato' Mohd Musa, 94300 Kota Samarahan, Sarawak	4,516	3	6
	18. No. 20, Fasa 1A Jalan Haji Manan, 86000 Kluang, Johor	4,614	3	8
	19. Tingkat Bawah & Satu, No. 24, Jalan USJ 10/1B, 47620 UEP Subang Jaya, Selangor	5,530	3	27
	20. Lot 13 & 14, Tingkat Bawah & Satu, Lazenda Commercial Centre, Jalan OKK Abdullah, 87008 Wilayah Persekutuan Labuan	4,356	3	10
	21. Lot 1129 & 1130, Darul Takaful, Jalan Sultan Ismail, 20200 Kuala Terengganu, Terengganu	17,079	3	36
	22. Tingkat Bawah No.2408 Taman Samudera, 32040 Seri Manjung Perak	5,300	3	4
	23. No. 29 & 39, Jalan Tupai, 34000 Taiping, Perak	5,932	3	7
	24. No.616&617 Jalan Besar, 73000 Tampin, Negeri Sembilan	6,585	3	4
	25. No. 26 & 27, Pasar Baru, Jalan Tanjung, 18500 Machang Kelantan	2,800	3	2
	26. No. 6,8 & 10, Jalan Padi Emas 5/2, Bandar Baru Uda, 81200 Johor Bahru, Johor	8,043	3	15
	27. Tingkat Bawah & Satu, No.29, Jalan Delima, Pusat Perbandaran Bandar Baru Pontian, 82000 Pontian Johor.	6,627	3	8
Syarikat AI-Ijarah	1. No. 71 & 73, Jalan Taman Selat, Off Jalan Bagan Luar, Peti Surat 303, 12720 Butterworth, Pulau Pinang	4,000	3	12

2.3 Basis of Estimates

The abovementioned estimated value in respect of each transaction referred to the above are based on prevailing prices obtained from the related parties which are reasonably market-competitive prices and are derived from the sums incurred or received during the past year, based on the normal levels of transaction 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. The estimated value may vary from the actual value transacted.

2.4 Review and Disclosure Procedures in Relation to RRPTs

BIMB Holdings Group has established the procedures and guidelines of RRPTs to ensure the Company undertakes such transactions on normal commercial terms and to supervise the existing internal control system of BIMB Holdings as follows:-

- a. the rental of office space and/or properties shall be at the prevailing market rates for the same and substantially similar properties and shall be on normal commercial terms;
- b. the receipt of brokerage fee are based on rates and terms which are in line with the industry norms; and
- c. the receipt of management fee are based on rates and terms which are in line with the industry norms.

The following review procedures are implemented to ensure that the terms of RRPT are not more favourable to the Related Parties than those generally extended to third parties/public and are not to the detriment of the minority shareholders of BIMB Holdings.

- (a) A register of RRPTs of BIMB Holdings Group is maintained and updated by the Finance Division;
- (b) A register is maintained to capture all RRPTs entered into pursuant to the Shareholders' Mandate to ensure accurate disclosure in the Annual Report of the Company and for onwards transmission to the Auditors and Audit Committee for their review;
- (c) The Audit Committee will review on quarterly basis of all the RRPTs which are entered by BIMB Holdings Group to ensure that such transaction are undertaken at arm's length, normal commercial terms, on terms not more favourable to the related party than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of BIMB Holdings Group;
- (d) In their review, the Audit Committee, may as they deems fit, request for additional information including from independent sources or advisers and/or to delegate such function to individuals or committee within the Company pertaining to the transactions. The Audit Committee also has the discretion to revise and impose additional procedures; and
- (e) Any member of the Board and Audit Committee that has an interest, direct or indirect, in any particular transaction, shall abstain from taking part in the decisions pertaining to the RRPTs of a revenue or trading nature and will ensure that they and any person(s) connected to them will also abstain on the resolution before them.

2.5 Audit Committee Statement

The Audit Committee has reviewed the procedures mentioned in Section 2.4 of the above for the RRPTs as disclosed in Section 2.2, and is of the view that the said procedures are sufficient to ensure that the Recurrent Transactions are:-

- Undertaken in the ordinary course of business;
- Carried out at arm's length and based on normal commercial terms consistent with the Group's usual business practices and policies;
- On terms not more favourable to the Related Parties than those generally available to the public; and
- Not detrimental to the minority shareholders of the Company.

3. RATIONALE FOR THE PROPOSAL

The rationale and benefits of the Proposed Renewal of Shareholders' Mandate are as follows:-

3.1 Rationale

The Recurrent Transactions as disclosed in Section 2.2 of this Circular are necessary for the Group's day-to-day operations in the ordinary course of business. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek Shareholder's approval on a case-by-case basis before entering into such Recurrent Transactions.

The mandate authorised by the Shareholders at the 10th AGM of the Company shall lapse at the conclusion of the forthcoming AGM. Therefore, the Renewal of Shareholders' Mandate is sought to allow BIMB Holdings Group to enter into such Recurrent Transactions made on an arm's length basis and on normal commercial terms and which are not to the detriment to the minority shareholders;

3.2 Benefits

- (a) The Proposed Renewal of Shareholders' Mandate would eliminate the need to convene separate general meeting from time to time to seek shareholders' approval as and when potential Recurrent Transactions with a Related Party arise, thereby reducing substantially administrative time and expenses in convening such meetings without compromising the corporate objectives and adversely affecting the business opportunities available to the BIMB Holdings Group; and
- (b) The Recurrent 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 BIMB Holdings Group. Transacting with its Related Parties also enhances the ability to explore beneficial business opportunities within BIMB Holdings Group, which will be of benefit to all the companies within BIMB Holdings Group. In most instances, companies within the Group have a better understanding of each other's business needs thus providing a platform where all parties can benefit from relatively lower transaction costs.

4. FINANCIAL EFFECTS OF THE PROPOSAL

As the Recurrent Transactions are carried out in the ordinary course of business and at normal commercial terms which are not more favourable to the Related Party than those generally available to the public, the effect of such transactions on the earnings per share, net tangible assets per share, share capital and major shareholders and their respective shareholding in BIMB Holdings Group is not expected to be different from similar transactions with a non-related party. Accordingly, the Proposal will not have any effect on the earnings per share, net tangible assets per share, share capital and major shareholders and their respective shareholding in BIMB Holdings Group.

5. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to shareholder's approval at the forthcoming AGM.

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

Save as disclosed below, none of the director and/or major shareholder of BIMB Holdings Group and/or persons connected to them has any interest, direct or indirect in the Proposal.

Dato' Dr Abdul Halim bin Ismail is currently a nominee director of PNB in BIMB Holdings and BSSB. Encik Salih Amaran bin Jamiaan is currently a nominee director of PNB in BIMB Holdings. Encik Salih Amaran bin Jamiaan has no direct/indirect shareholding in BIMB Holdings. Accordingly they have abstained and will continue to abstain from board deliberations on the Proposed Renewal of Shareholders' Mandate. Further they will abstain from voting in respect of their direct or indirect shareholdings in BIMB Holdings at the AGM and have undertaken to ensure that any persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings (if any) on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM (CONT'D)

Tan Sri Samsudin bin Osman and Datuk Ismee bin Ismail are currently nominee directors of LTH in BIMB Holdings. They have no direct/indirect shareholding in BIMB Holdings and have accordingly abstained and will abstain from deliberations on the Proposed Renewal of Shareholders' Mandate at the relevant board meetings. They will also abstain from voting at the forthcoming AGM in respect of their direct and/or indirect shareholdings in BIMB Holdings, if any, of the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

Dato' Mohd Bakke bin Salleh, Datuk Ismee bin Ismail, Puan Zaiton binti Mohd Hassan, Encik Zahari @ Mohd Zin Idris and Encik Johan bin Abdullah are directors of BIMB Holdings and they are also directors of BIMB. They have no direct/indirect shareholding in BIMB Holdings. They will also abstain from voting at the forthcoming AGM in respect of their direct and/or indirect shareholdings in BIMB Holdings, if any, of the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

Encik Johan bin Abdullah is currently nominee director of BIMB Holdings in STMB and has accordingly abstained and will abstain from deliberations on the Proposed Renewal of Shareholders' Mandate at the relevant board meetings. He will also abstain from voting at the forthcoming AGM in respect of his direct and/or indirect shareholdings in BIMB Holdings, if any, of the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

LTH, PNB and ASB being the interested major shareholders of BIMB Holdings will abstain from voting in respect of its direct and indirect shareholdings in BIMB Holdings, on the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The other related parties namely STMB and BSSB do not have any equity interest in BIMB Holdings.

The interested directors and major shareholders will also ensure that persons connected to them, if any will abstain from voting on the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The direct shareholdings of the interested directors and major shareholders in BIMB Holdings as at 30 October 2008 are as follows:-

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Interested Director</u>				
Dato' Dr Abdul Halim bin Ismail	1,400	negligible	-	-
<u>Major Shareholder</u>				
LTH	373,667,360	41.92		
PNB	61,931,445	6.95	154,000,000*	17.28

* These shares are registered under the name of Amanah Raya Nominees (Tempatan) Sdn Bhd for Skim Amanah Saham Bumiputra

7. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposal, your board, save for the interested directors namely Tan Sri Samsudin bin Osman, Dato' Dr Abdul Halim bin Ismail, Datuk Ismee bin Ismail, Encik Salih Amaran bin Jamiaan, Dato' Mohd Bakke bin Salleh, Encik Zahari @ Mohd Zin bin Idris, Puan Zaiton binti Mohd Hassan and Encik Johan bin Abdullah who are deemed interested in the Proposed Renewal of Shareholders' Mandate and have accordingly abstained and will continue to abstain from board deliberations on the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposal is in the best interest of the Company.

Accordingly, your board, save for the interested directors namely Tan Sri Samsudin bin Osman, Dato' Dr Abdul Halim bin Ismail, Datuk Ismee bin Ismail, Encik Salih Amaran bin Jamiaan, Dato' Mohd Bakke bin Salleh, Encik Zahari @ Mohd Zin bin Idris, Puan Zaiton binti Mohd Hassan and Encik Johan bin Abdullah who are deemed interested in the Proposed Renewal of Shareholders' Mandate and have accordingly abstained and will continue to abstain from board deliberations on the Proposed Renewal of Shareholders' Mandate, recommends that you vote in favour of the resolution pertaining to the Proposal to be tabled at the forthcoming AGM.

8. ANNUAL GENERAL MEETING

The 11th AGM of the Company, notice of which is enclosed in the 2008 Annual Report of BIMB Holdings accompanying this Circular will be held at Tun Rahah 1 & 2, Level 1, Menara Yayasan Tun Razak, 200 Jalan Bukit Bintang, 55100 Kuala Lumpur on Wednesday, 17 December 2008 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and thought fit, passing the resolution to give effect to the Proposal pursuant to the agenda of Special Business in the Company's 2008 Annual Report.

If you are unable to attend and vote in person at the AGM, you should complete and return the enclosed Form of Proxy enclosed with the notice in accordance with the instructions therein as soon as possible and in any event so as to arrive at the registered office of the Company at Level 18, Menara Yayasan Tun Razak, 200 Jalan Bukit Bintang, 55100 Kuala Lumpur not later than 48 hours before the time set for holding the AGM. The lodging of the Form of Proxy will not, however, preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board of Directors
BIMB HOLDINGS BERHAD

DATO' HAIRUDDIN BIN MOHAMED
Independent Non-Executive Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

Neither BIMB Holdings nor its subsidiaries have entered into any contracts which are material, (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION

Save as disclosed below, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 30 June 2008.

- a) Bank Islam, together with syndication members (the Plaintiffs) led by AmMerchant Bank Berhad, on 10 August 1998, filed a syndication civil suit claim against Silver Concept Sdn Bhd (the Defendant) to recover outstanding financing facilities totalling RM196,289,470.96 (the sum owing to Bank Islam is RM59,364,621.68). The financing was secured by 34 properties. Order for sale in respect of 17 properties held under Registry Title was granted on 30 June 2006. However, on 9 May 2008, the balance purchase price was distributed among the syndication members where Bank Islam received RM12,744,868.98. Consequentially, the syndication members agreed to withdraw the foreclosure action against the Defendant.

In respect of the civil suit against the Defendant, the Court allowed the Plaintiffs' claim. The Defendant has filed and appeal against the ruling. The Plaintiffs' solicitors are of the view that the Plaintiffs will prevail in this matter.

- b) Bank Islam together with syndication members, on 9 September 1998, filed a civil suit claim against M.K. Associates Sdn Bhd (the Defendant) and Sateras Resources (Malaysia) Berhad (the Guarantor), to recover outstanding financing facilities of RM29,228,765.00. Summary judgement against the Defendant and the Guarantor was obtained on 5 January 1999. Bank Islam has filed the Proof of Debt at the Insolvency Department in July 2006 but it was rejected in view of the defendant's appeal on a winding up order granted to LHDN, in a separate action. This matter has been held in abeyance pending the appeal.

Bank Islam together with syndication members commenced two (2) separate foreclosure proceedings against the Defendant and M.K. Golf Sdn Bhd (Third Party Chargor). The Order for Sale over the Defendant's properties was granted on 7 September 1999. No subsequent auction has been carried out since the first auction in February 2001, as many of the apartments unit built on the Defendant's properties have been sold and redeemed and also due to difficulties to identify other assets of the defendants.

The order for sale over the properties of the Third Party Chargor was obtained on 17 May 1999. Five (5) attempts to sell the property i.e. the golf course have been unsuccessful. Bank Islam is in the midst of negotiating with potential buyers to sell the property on private treaty basis.

- c) On 29 April 2002, Ariffin Dato' Hussein (the Plaintiff) filed a claim for general damages for RM18.2 million against Bank Islam for libel arising from publication of a proclamation of sale made after the Plaintiff has paid off his outstanding facility. Bank Islam has named its documentation solicitor as a party to the suit on the basis of their indemnity for negligence. The full trial was held on 6 and 7 May 2007 and the learned judge has fixed for decision on 16 November 2008. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- d) On 17 May 2003, Tahan Steel Corporation Sdn Bhd (the Plaintiff) filed a claim for the amount of USD12,275,000.00 for breach of contract and RM109,776,000.00 for general damages against Bank Islam for failure to disburse the balance of the facility granted to Tahan Steel. Bank Islam had filed a counterclaim to recover RM143,590,488.09 from Tahan Steel being the outstanding financing facility amount. After reading the submission submitted by the Solicitors, the Judge ruled out that the Istisna' transaction is void. The Solicitors have filed an appeal against the said ruling.

Pending the above, the Plaintiff has proposed payment of RM43.0 million as full and final settlement of the amount owing to Bank Islam. Bank Islam has countered the proposal for the amount of RM58.9 million i.e. the cost outstanding of the financing. The Plaintiff is yet to revert with its decision on Bank Islam's counter proposal. Bank Islam's solicitors are of the opinion that Bank Islam will succeed in the appeal as the ruling is flawed.

- e) On 16 October 2003, Estate & Forestry Consulting Management Sdn. Bhd. (the Plaintiff) filed a claim against Bank Islam for general damages of RM17,862,183.15. The Plaintiff alleged that there was a breach of contract and misrepresentation by Bank Islam resulting in the Plaintiff suffering losses when the sale of Razimco Sdn Bhd (Razimco) to the Plaintiff did not materialize due to the legal action by Bank Islam against Razimco. The Court has fixed the matter for full trial on 11 to 15 May 2009. Bank Islam's solicitors are of the opinion that Bank Islam will prevail in this matter.
- f) Bank Islam, on 27 January 2004, filed a civil suit claim against ECT Industries Sdn Bhd (the Defendant) and its guarantors to recover outstanding financing facilities of RM14,252,306.75. All the guarantors were declared bankrupt on 16 March 2006 and the Solicitors had filed the Proof of Debt on 19 April 2006. The Defendant has been wound up by another party and Court had granted Bank Islam with an order to intervene on 11 November 2007. The Solicitors are in the midst of preparing for Proof of Debt.

Bank Islam has also obtained an order for sale in relation to the three (3) pieces of land charged under the facility. The Solicitors are applying for another auction date as the previous auction was aborted.

- g) Bank Islam, on 29 January 2004, filed a civil suit against Duta Nilai Development Sdn Bhd (the Defendant) and its guarantors to recover outstanding financing facilities of RM40,901,048.88. The Defendant was wound up on 17 January 2005 by another party and Bank Islam has filed proof of debt. The assets of the Defendant are now being administered by the official receiver. Meanwhile, summary judgement against the guarantors had also been obtained on 23 June 2005. The matter is now pending a settlement proposal with some third party investors.
- h) Bank Islam, on 30 January 2004 filed a foreclosure action to recover an amount of USD2, 689,985.00, against the security pledged by Datuk Dr. Abdul Aziz bin Muhammad (the Chargor) for the facilities granted to Quantum Holdings (L) Ltd (the Customer). The Court has fixed for clarification and decision date on 11 December 2008. The Solicitors are of the view that the foreclosure proceedings will be successful and that an order for sale will be granted.
- i) Bank Islam, on 9 February 2004, filed a civil suit claim against PC Auto Blast Sdn Bhd, Jaya Raj a/l A. Mariadas and Johnson a/l Mariadas (the Defendants) and a foreclosure action to recover outstanding financing facilities of RM13,125,946.46. The Court has fixed the hearing of the civil claim on 7 April 2008. However, the Defendants have filed a counterclaim seeking declarations and damages. Amongst others, the Defendants are seeking for declarations that the agreements executed under the facilities are null and void for non-compliance with Shariah principles. This counterclaim action has been fixed for mention on 11 November 2008.

In view of the Defendant's counterclaim, the Court had granted the Defendant with an order for stay of proceedings on Bank Islam's application for order for sale in regard to properties charged under the facilities.

- j) Bank Islam, on 17 February 2004, filed a civil suit claim against Enten Oil Industries Sdn Bhd (formerly known as KLLT Oil Industries Sdn Bhd), Ariffin Rahmat and Eng Weng Long (the Defendants) to recover outstanding financing facilities of RM27,056,183.66. Judgement in Default was obtained against the Defendants on 11 June 2004. Bank Islam has filed bankruptcy notice against the second and third Defendants and winding up petition against the first Defendant on 18 March 2008.

An order for sale for the two (2) properties charged to Bank Islam under the facilities was granted on 11 January 2005. However, the Court granted stay of execution against the first property on 16 July 2007 and the second application for stay of execution in respect of the second property has been fixed for hearing on 18 November 2008. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

- k) On 14 June 2004, Kopeks Holdings Sdn Bhd (the Plaintiff) filed a claim against Bank Islam for the withdrawal and cancellation of facilities offered by Bank Islam to the Plaintiff, claiming inter-alia, special damages of RM5,491,849.55 and general damages of RM7,559,675.00, together with interests. The trial date has been fixed on 14-16 January 2009. Bank Islam's solicitors are of the view that Bank Islam has a good chance to prevail in this matter.
- l) Bank Islam, in March 2005, filed a civil suit against Zeron Sdn Bhd (the Defendant) and its guarantors for the balance of the outstanding sale price under the Assets Sale Agreement of RM21,359,584.87 and the amount released to Pengurusan Danaharta Nasional Berhad pursuant to the Guarantee Agreement of RM10,500,000.00. After reading the submission submitted by the Solicitors, the Judge ruled out that the BBA transaction is void. The Solicitors have filed and applied against the said ruling. Nevertheless, Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

Bank Islam has obtained order for sale of the two (2) properties charged to Bank Islam. Three (3) attempts to auction the properties were aborted. Bank Islam has decided to appoint a private liquidator.

- m) Bank Islam, on 7 March 2005, filed a civil suit claim against Commerce Resources Inc., Dato' Kamaruddin @ Kamaluddin bin Awang and Datuk Hiew MingYong (the Defendants) for the sum of USD2,720,036.00. Judgement in Default has been obtained against all the Defendants. The matter is now pending filing of winding up petition. On 28 April 2008, the Court allowed the second Defendant' application to stay enforcement proceedings and set aside the judgement in default. Bank Islam is applying for summary judgment against the second Defendant. Meanwhile, the third Defendant has been adjudged a bankrupt and the solicitors have proceeded with the filing of Proof of Debt. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- n) Bank Islam, on 22 March 2005, filed a civil suit claim against Commerce Trading, Dato' Kamaruddin @ Kamaluddin bin Awang and Datuk Hiew MingYong (the Defendants) in which Judgement in Default has been obtained against the first and second defendant. The third Defendant has been adjudged a bankrupt. The Court, had on 21 September 2007, allowed the application by the second Defendant to set aside the judgment in default. Bank Islam is applying for summary judgment against the second Defendant and filing a winding up petition against the first Defendant. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- o) Bank Islam, on 30 March 2005, filed a civil suit against Lityan (L) Incorporated & Lityan Holdings Berhad (the Defendants) to recover outstanding financing facilities of USD15,000,000.00 from the Defendants. The second Defendant had on 9 January 2008, obtained a restraining order pursuant to Section 176 of the Companies Act 1965 until 6 August 2008. However, there was a proposal by Lityan Holding Berhad on its Debt Restructuring Scheme to make a full and final settlement for the facility under Lityan (L) Inc. via share settlement. This matter is pending approval by Securities Commission (SC) and acceptance by other creditors.
- p) Bank Islam, on 12 May 2005, filed a civil suit claim against CartelVista Sdn Bhd, Razmi Alias, Charles Clement Kilroy Augustin, Rafidah Mahayuddin and Rohaizan Ghazali, being the first, second, third, fourth and fifth Defendant respectively (the Defendants) to recover outstanding financing facilities of RM15,555,808.54. The Judgement in Default against the first and fifth defendants was obtained on 21 September 2005. The Court has granted summary judgment against the second, third and fourth defendants in June 2007.

Meanwhile, a piece of land charged under this facility has been sold off during an auction for RM12,430,000.00. For the remaining balance of the amount claimed, Bank Islam is in the midst of negotiation with the Defendants for settlement.

- q) Bank Islam, on 24 May 2007 filed a civil suit claim against Tan Sri Abdul Khalid Ibrahim (the Defendant) to recover the outstanding financing facilities of USD18,251,806.13. The Court has fixed for mention of the case management on 19 January 2009 pending for the disposal of the summary judgment filed by Bank Islam. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- r) On 3 March 2006, Ngiu Kee Sdn Bhd, Ngiu Kee (Bintulu) Sdn Bhd, Ngiu Kee (Sarikei) Sdn Bhd, Ngiu Kee (Kemena) Sdn Bhd, Ngiu Kee (Miri) Sdn Bhd and Ngiu Kee Corporation (M) Bhd (the Plaintiffs) filed a claim for damages of RM25.0 million against Bank Islam and sought declarations, among others, that Bank Islam has breached the terms of the facility by freezing their accounts. The Court has fixed for full trial from 6 until 15 July 2009. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- s) On 18 August 2006, Bank Islam filed a civil suit claim against Linear Profile Sdn Bhd (the Defendant) and OCB Berhad (the Guarantor) for the sum of RM12,033,773.75. The Guarantor has filed a counterclaim for declarations and damages. Amongst others, the Guarantor is seeking declarations that the facilities given to the Defendant and the corporate guarantee were invalid and unenforceable. The Court has yet to fix for any new date. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- t) On 22 December 2006, Omegco Sdn Bhd (the Plaintiff) filed a claim against Bank Islam among others, claiming loss of profit of RM43.2 million and fixed deposit of RM250,000.00 not released by Bank Islam. The application for summary judgment by the Plaintiff was struck out by the Court with costs. The Plaintiff appealed against the decision in October 2007 and the Court is yet to fix any new date. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- u) On 16 August 2007, Teck Guan Sdn Bhd (the Plaintiff) filed a claim for the sum of RM11,385,600.00. The summary judgment application by the Plaintiff will be decided on 27 March 2009. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

- v) On 27 September 2007, Barter Fortune Sdn Bhd (the Plaintiff) filed a civil suit claim against Bank Islam for recalling a BBA Facility and cancelling an Istisna' Facility granted to the Plaintiff. The Plaintiff claimed damages i.e. special damages of RM5,558,559.17, punitive damages of RM100,000,000.00 and exemplary damages of RM100,000,000.00 together with cost. The Court has fixed a date for mention on 3 December 2008. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- w) Datuk Zamzuri Abdul Ghafar (Plaintiff), on 25 June 2007 filed a civil suit against Bank Islam's subsidiary i.e BIMB Trust Ltd, Dr. Aimi Zulhazmi Abd. Rashid and Khariman Abdul Jalil (the Defendants) for the sum of RM1,660,400.00 and cost being payment to Buckingham Consultant League Sdn Bhd ("BCLSB"). The Plaintiff alleged that the Defendants had induced him into paying the same to BCLSB for the procurement of an offshore loan of USD10 million based on fraudulent or misrepresentation made by the 2nd and 3rd Defendants who are the employees of BIMB Trust Ltd. The Court has fixed the hearing of the claim on 23 February 2009.
- x) Tegas Baiduri Sdn Bhd (Plaintiff), on 10 October 2007 filed a civil suit against Bank Islam's subsidiary i.e BIMB Trust Ltd, Dr. Aimi Zulhazmi Abd. Rashid and Khariman Abdul Jalil (the Defendants) for the sum of RM164,900.00 and cost being payment of RM144,000.00 to Buckingham Consultant League Sdn Bhd ("BCLSB") and RM20,900.00 to the 1st Defendant. The Plaintiff alleged that the Defendants had induced him into paying the same to BCLSB for the procurement of an offshore loan of USD28,887,511.00 based on fraudulent or misrepresentation made by the 2nd and 3rd Defendants who are the employees of BIMB Trust Ltd. The Court has fixed a date for hearing of the Plaintiff's application to transfer this matter from KL High Court to Labuan High Court on 23 February 2009.
- y) Bank Islam, on 27 August 2007 filed a civil suit against four (4) senior management staff members of the then Bank Islam Labuan Ltd ("BILL") ("the Defendants") claiming an amount of USD8,586,483.00 being the outstanding financing amount granted by BILL to the customers whose accounts have been in default, namely Faaris Investment Holding Plc, Profound Heritage Sdn Bhd, Commerce Resources Inc., Commerce Trading Inc., Crest Group, Crestek Inc. and Trident Timber Co. Ltd.

Bank Islam claimed that the officers have acted contrary to the interest of BILL and were in breach of their statutory duties, common law duty of care and skill and express and/or implied contractual duties.

All Defendants have entered their defences and currently Bank Islam is preparing its Reply and/or amendment to the Statement of Claim. The matter is fixed for mention on 11 November 2008.

The 1st and 2nd Defendants are no longer in Bank Islam's employment, while the 3rd and 4th Defendants are staff of Bank Islam and are currently being suspended from duty. Bank Islam will commence internal disciplinary proceedings against the 2 staff, which inquiry proceeding date is not yet fixed.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Level 18, Menara Yayasan Tun Razak, 200 Jalan Bukit Bintang, 55100 Kuala Lumpur during normal business hours on any week days (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (a) the Memorandum and Articles of Association of BIMB Holdings Berhad; and
- (b) the audited consolidated accounts of BIMB Holdings Group for the two (2) financial years ended 30 June 2007 and 2008.