

THIS CIRCULAR TO SHAREHOLDERS (“CIRCULAR”) OF BIMB HOLDINGS BERHAD IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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(Company No. 199701008362 (423858-X))
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO**

**THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING
NATURE**

The Ordinary Resolution in respect of the Proposed Renewal of Shareholder’s Mandate will be tabled at the Twenty Fourth (24th) Annual General Meeting (“AGM”) of the Company to be held fully virtual at the broadcast venue at Level 31, Menara Bank Islam, 22 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 2 June 2021 at 10.00 a.m.

The instrument appointing a proxy (“Proxy Form”) must be deposited at the Registrar’s office in the following manner:

- a) by electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> by logging in and selecting “E-PROXY LODGEMENT”; or
- b) by hand or post to Boardroom Share Registrar Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than forty eight (48) hours before the time appointed for holding the meeting which is no later than Monday, 31 May 2021 at 10.00 a.m.

The lodging of a completed Proxy Form does not preclude a Member from attending and voting should the Member decided to do so. If the Member subsequently decided to attend the 24th AGM, the Member is requested to revoke the earlier appointment of proxy by notifying Boardroom in writing, no later than Monday, 31 May 2021 at 10.00 a.m.

This Circular is dated 30 April 2021

DEFINITIONS

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

Act	:	The Malaysian Companies Act, 2016, as amended from time to time and any re-enactment thereof;
AGM	:	Annual General Meeting;
BHB or the Company	:	BIMB Holdings Berhad;
BHB Group or the Group	:	BIMB Holdings Berhad and its subsidiaries;
Bank Islam or BIMB	:	Bank Islam Malaysia Berhad;
Bursa Securities	:	Bursa Malaysia Securities Berhad;
BNM	:	Bank Negara Malaysia;
Board or Board of Directors	:	The Board of Directors of BHB;
BIMBSEC	:	BIMB Securities Sdn Bhd;
Circular	:	Circular to Shareholders in relation to the Proposal dated 30 April 2021;
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments to the Listing Requirements that may be made from time to time;
LPD	:	Last Practicable Date before printing of Circular is 31 March 2021;
Major Shareholders	:	A person who has interests in one (1) or more voting shares in a corporation and the number or aggregate number of that shares, is: - a) Equal to or more than 10% of the total number of voting shares in the Corporation; or b) Equal to or more than 5% of the total number of voting shares in the Corporation where such person is the largest shareholder of the Company;

For the purpose of this, “interest in shares” shall have the meaning given in Section 8 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 Corporation as defined above, or any other company/corporation which is its subsidiary or holding company;

Proposal	:	Proposed Renewal of Shareholders' Mandate;
Proposed Renewal of Shareholders' Mandate	:	Proposed renewal of existing 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 BHB Group;
Recurrent Related Party 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 BHB Group's business;
Related Party Transaction(s)	:	Transaction(s) entered into by BHB 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 for BHB Group to enter into Recurrent Related Party Transactions pursuant to Paragraph 10.09 of the Listing Requirements which was subsequently approved by the Company's shareholders at the AGM held on 26 August 2020;
Takaful Malaysia	:	Syarikat Takaful Malaysia Keluarga Berhad; and
TH	:	Lembaga Tabung Haji.

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APPENDIX I

EXTRACT NOTICE OF 24th AGM



(Company No. 199701008362 (423858-X))
(Incorporated in Malaysia)

Registered Office:
31st Floor, Menara Bank Islam
No. 22 Jalan Perak, 50450 Kuala Lumpur

30 April 2021

Board of Directors:

Tan Sri Ambrin Buang (*Chairman/Independent Non-Executive Director*)
Puan Noraini Che Dan (*Senior Independent Non-Executive Director*)
Encik Mohd Tarmidzi Ahmad Nordin (*Independent Non-Executive Director*)
Datuk Nik Mohd Hasyudeen Yusoff (*Non-Independent Executive Director*)
Encik Zahari @ Mohd Zin Idris (*Non-Independent Non-Executive Director*)

To: The Shareholders of BIMB Holdings Berhad

Dear Sir/Madam

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

1. INTRODUCTION

On 15 April 2021, the Company had announced to Bursa Securities that the Company proposes to seek the approval of its shareholders at the forthcoming AGM of the Company for the Proposed Renewal of the Shareholders' Mandate.

1.1 Proposed Shareholders' Mandate

BHB had at its 23rd AGM held on 26 August 2020, obtained the shareholders' approval to renew the existing shareholders' mandate for BHB Group to enter into RRPTs 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 the shareholders of the Company at the AGM.

In this regard, the Board had on 15 April 2021 announced that the Company intends to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming 24th AGM.

The purpose of this Circular to Shareholders is to provide you with details pertaining to the Proposal and to seek your approval for the resolution thereto to be tabled at the forthcoming 24th AGM of the Company scheduled to be held fully virtual at the broadcast venue at Level 31, Menara Bank Islam, 22 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 2 June 2021 at 10.00 a.m.

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

SHAREHOLDERS OF BHB ARE ADVISED TO READ THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSAL AT THE FORTHCOMING AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSAL

2.1 Proposed Renewal of Shareholders' Mandate

2.1.1 Provision under Listing Requirements

In compliance with the requirements of Paragraph 10.09 (2) of the Listing Requirements, BHB proposes to seek its shareholders' approval for the RRPTs as set out in Section 2.1.3 of this Circular.

The Proposed Renewal of Shareholders' Mandate if approved by the shareholders at the forthcoming 24th AGM will take effect from the passing of the ordinary resolution proposed at the said AGM and shall continue to be in force until: -

- (a) the conclusion of the next AGM of the Company at which time 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 is required 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
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

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

BHB is principally an investment holding company. Its core subsidiaries are principally engaged in Islamic banking and finance, takaful, stockbroking and other related services.

BHB has disclosed the breakdown of the aggregate value of RRPTs conducted during the financial year ended 31 December 2020 in its Annual Report for the said financial year and will continue to disclose the same in the subsequent financial year during which the Shareholders' Mandate is in force, amongst others, based on the following information:-

- a) the type of the RRPTs; and
- b) the names of the Related Parties involved in each type of the RRPTs made and their relationship with BHB.

Shareholders' approval is sought for the Proposed Renewal of Shareholders' Mandate for BHB Group to enter into RRPTs 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.

2.1.2 SUBSIDIARIES AND ASSOCIATED COMPANIES

BHB is principally an investment holding company. The principal activities of its subsidiaries and associate companies are as follows:-

Name of Company	Principal activities	Ownership interest 31 March 2021 (%)
Bank Islam	Islamic banking business	100
<i>Subsidiaries of Bank Islam</i>		
BIMB Investment Management Berhad	Managing Islamic Unit Trust Funds	100
Al-Wakalah Nominees (Tempatan) Sdn. Bhd.	Provides nominee services	100
Farihan Corporation Sdn. Bhd.	Provides manpower for all type of executives, middle management staff, junior level staff, workers, labourers skilled/unskilled for the provision of services in the relevant areas.	100
Bank Islam Trust Company (Labuan) Ltd	Provides services of Labuan registered trust company	100
<i>Subsidiary of Bank Islam Trust Company (Labuan) Ltd.</i>		
BIMB Offshore Company Management Services Sdn. Bhd.	Resident Corporate Secretary & Director for Offshore Companies	100
Takaful Malaysia	Family and General Takaful business	59.17
<i>Subsidiaries of Takaful Malaysia</i>		
Syarikat Takaful Malaysia Am Berhad	General Takaful business	100
P.T. Syarikat Takaful Indonesia	Investment holding	56
<i>Subsidiaries of P.T. Syarikat Takaful Indonesia</i>		
P.T. Asuransi Takaful Keluarga	Family Takaful business	57.24
BIMB Securities (Holdings) Sdn. Bhd.	Investment holding	100
<i>Subsidiary of BIMB Securities (Holdings) Sdn. Bhd.</i>		
BIMBSEC	Stockbroking	51
<i>Subsidiaries of BIMBSEC</i>		
BIMSEC Nominees (Tempatan) Sdn. Bhd.	Provides nominee services	100
BIMSEC Nominees (Asing) Sdn. Bhd.	Provides nominee services	100
Syarikat Al-Ijarah Sdn Bhd	Leasing of assets	100

2.1.3 Nature of RRPTs

Existing RRPTs between BHB 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 ¹	Existing Mandate		
			Previous Estimated Aggregate Value as disclosed in the Circular to Shareholders dated 27 July 2020 RM'000	Actual Value Transacted from the last AGM to 31 March 2021 ² RM'000	New Estimated Aggregate Value from the forthcoming 24th AGM on 2 June 2021 to the next AGM in 2022 ³ RM'000
<ul style="list-style-type: none"> ⁴Rental of office premises payable by Bank Islam to TH. Δ 	<p>TH</p> <p>TH is principally involved in providing pilgrimage management services, saving and depository services, investment holding and rental of buildings.</p>	<p><u>Interested major shareholder</u></p> <p>TH is a major shareholder of BHB with 53.14% shareholding.</p> <p><u>Interested Directors</u></p> <p>1) Datuk Nik Mohd Hasyudeen Yusoff being the Group Managing Director and Chief Executive Officer of TH is also a Director of BHB and Bank Islam. He has no direct/indirect shareholding in TH, BHB and Bank Islam.</p> <p>2) Puan Noraini Che Dan and Encik Zahari @ Mohd Zin Idris are Directors of Bank Islam and they are also Directors of BHB. They have no direct/indirect shareholding in Bank Islam and BHB as at the reporting date.</p> <p>3) Encik Mohd Muazzam Mohamed, the Chief Executive Officer of BHB is also the Chief Executive Officer of Bank Islam. Encik Mohd Muazzam Mohamed has no direct/indirect shareholding in BHB and Bank Islam.</p>	21,951	20,326	25,625
<ul style="list-style-type: none"> ⁴Rental of office premises payable by Bank Islam to Takaful Malaysia 	<p>Takaful Malaysia</p> <p>Takaful Malaysia is principally involved in family and general</p>	<p><u>Interested Directors</u></p> <p>1) Datuk Nik Mohd Hasyudeen Yusoff being the Group Managing Director and Chief Executive Officer of TH is also a Director of BHB and Bank</p>	2,499	2,036	2,985

		Existing Mandate			
Nature of Transactions	Related Party/Principal Activities	Interested Director and/or major shareholders ¹	Previous Estimated Aggregate Value as disclosed in the Circular to Shareholders dated 27 July 2020 RM'000	Actual Value Transacted from the last AGM to 31 March 2021 ² RM'000	New Estimated Aggregate Value from the forthcoming 24th AGM on 2 June 2021 to the next AGM in 2022) ³ RM'000
Takaful Malaysia. Δ	takaful business.	<p>Islam. He has no direct/indirect shareholding in TH, BHB, Bank Islam and Takaful Malaysia.</p> <p>2) Puan Noraini Che Dan and Encik Zahari @ Mohd Zin Idris are Directors of Bank Islam and they are also Directors of BHB. They have no direct/indirect shareholding in BHB, Bank Islam and Takaful Malaysia as at the reporting date.</p> <p>3) Encik Mohd Muazzam Mohamed, the Chief Executive Officer of BHB is also the Chief Executive Officer of Bank Islam. Encik Mohd Muazzam Mohamed has no direct/indirect shareholding in BHB, Bank Islam and Takaful Malaysia.</p>			

There is no amount due and owing to BHB by its related parties pursuant to the RRPTs.

Notes

¹The direct and indirect shareholdings of the related parties in BHB above are set out in Section 6 below.

²LPD before printing of Circular is 31 March 2021.

³The next AGM after the forthcoming 24th AGM for the purposes of estimating the value for the RRPT is assumed to be sometime in May 2022 as no specific date can be determined at the point of the printing of the Circular.

⁴The rental sum of the properties was arrived at or estimated based on the on-going or expected market rate at the time the tenancy agreement was or to be executed.

Notes:-

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

Related parties	Location	Built-up area (sq. feet)	Tenure of tenancy agreement (Year)	Rental per month RM'000
TH & Bank Islam (as shown in Page 5)	1. Tingkat 2, Lot 3, Bangunan Ibu Pejabat, Menara Tun Razak, 201, Jalan Tun Razak, 50400 Kuala Lumpur	2,336	3	14
	2. Tingkat Bawah, Lot 2, 3 & 4, & Tingkat Satu Lot 4, Bangunan Tabung Haji Baling, Jalan Bandar Baru Baling, 09100 Baling, Kedah Darul Aman	4,634	3	5
	3. Tingkat Bawah, Lot 342, Bangunan Tabung Haji, 45500 Tanjung Karang, Selangor Darul Ehsan	964	3	1
	4. Tingkat 15, Menara TH, PTB 20485, Jalan Air Molek, 80000 Johor Bahru, Johor Darul Takzim	8,103	3	18
	5. Tingkat Bawah & Mezzanine, Lot 1984 & 1985, Bangunan TH Kluang, Johor Darul Takzim	5,376	3	8
	6. Menara Bank Islam, No. 22 Jalan Perak, 50450 Kuala Lumpur	337,488.13	Lease for 25 years. New rate for every 3 years.	2,122
	7. Tingkat Bawah, Ruang Lobi, Lot 4 Bangunan TH, Jalan Air Molek, 80000 Johor Bahru, Johor Darul Takzim	1,248	3	6
	8. Tingkat Bawah, Lot 1, Bangunan TH Kuala Pilah, Jalan Dato ' Undang Johol, 72000 Kuala Pilah, Negeri Sembilan Darul Khusus	2,900	3	3
	9. Tingkat Bawah, Lot 1 & Lot 2, Bangunan TH, Jalan Bunga Kesuma, Wilayah Persekutuan Labuan Sabah	3,908	3	17
	10. Tingkat Bawah, Lot 4, Bangunan TH, Lot 250 Jalan Banda Kaba, 75740 Melaka	1,281	3	2

Related parties	Location	Built-up area (sq. feet)	Tenure of tenancy agreement (Year)	Rental per month RM'000
	11. <i>Tingkat Bawah, Lot 1 & Mezzanine Lot 2, Bangunan TH Langkawi, Kedah</i>	4,547	3	9
	12. <i>Tingkat Bawah, Lot 2, IFiC Putrajaya, Blok B, Kompleks Islam Putrajaya, No. 23, Jalan Tuanku Abdul Rahman, 62100 Putrajaya.</i>	1,805	3	12
	13. <i>Tingkat Bawah Lot 1, Bangunan TH Mini Kodiang, Jalan Perlis, Kodiang, Kedah</i>	1,384	3	1
	14. <i>Tingkat Bawah, Lot 4, Bangunan TH Sik, Pekan Baru Sik, 08200 Sik, Kedah</i>	2,205	3	2
<i>Takaful Malaysia & Bank Islam (as shown in Page 6)</i>	1. <i>Suite 3B/G, Blok 3B, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur</i>	6,400	3	45
	2. <i>No. 2, 4 & 6, Jalan 6C/7, 43650 Bandar Baru Bangi, Selangor Darul Ehsan</i>	8,648	3	19
	3. <i>Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur</i>	576	3	1
	4. <i>Nos. 16474 & 16475, Pusat Perniagaan Inderapura, Jalan Tras, 27600 Raub, Pahang Darul Makmur</i>	6,080	3	12
	5. <i>Lot 433, 434 & 435, Seksyen 11, KTLD Bangunan Tuanku Muhamad Al-Idrus, Jalan Kulas, 93400 Kuching, Sarawak</i>	10,160	3	42
	6. <i>Nos. 1 & 2, Jalan Kelicap, Taman Pekan Baru, 34200 Parit Buntar, Perak Darul Ridzuan</i>	6,902	3	5
	7. <i>Nos. 180 & 181, Jalan Tuan Hitam, 22000 Jerteh, Terengganu Darul Iman</i>	6,803	3	7
	8. <i>Lot 1 & 2, Kompleks Perniagaan Fajar, 91000 Tawau, Sabah</i>	6,039	3	24
	9. <i>No. 64 & 65, Kompleks Jitra, Jalan Sungai Korok, 06000 Jitra, Kedah Darul Aman</i>	5,363	3	9
	10. <i>Lot 1129 & 1130, Bangunan Darul Takaful, Jalan Sultan Ismail, 20100 Kuala Terengganu, Terengganu Darul Iman</i>	1,496	3	10
	11. <i>No. 2408, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan</i>	5,300	3	8
	12. <i>Nos. 76A & 76, Pusat Perniagaan, Jalan Tupai, 34000 Taiping, Perak Darul Ridzuan</i>	5,932	3	13
	13. <i>Nos. 616 & 617, Jalan Besar, 73000 Tampin, Negeri Sembilan Darul Khusus</i>	6,585	3	7
	14. <i>Nos. 26 & 27, Jalan Tanjung, Pasar Baru, 18500 Machang, Kelantan Darul Naim</i>	2,800	3	3

Related parties	Location	Built-up area (sq. feet)	Tenure of tenancy agreement (Year)	Rental per month RM'000
	15. Nos. 6, 8 & 10, Jalan Padi Emas 5/2, Bandar Baru UDA, 81200 Johor Bahru, Johor Darul Takzim	9,374	3	25
	16. No. 29, Jalan Delima, Pusat Perniagaan Pontian, 82000 Pontian, Johor Darul Takzim	6,627	3	12

2.1.4 Basis of Estimates

The abovementioned estimated value in respect of each transaction referred to the above is 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 amount is also 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.

2.1.5 Review and Disclosure Procedures in Relation to RRPTs

BHB Group has established the procedures to ensure that RRPTs are undertaken on arms length basis and on BHB Group's normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of BHB.

The following measures 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 BHB:-

- (a) A register of RRPTs of BHB Group is maintained and updated by the Group Finance and Planning 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;
- (c) BHB's major operating subsidiaries have internal control system to ensure that RRPTs are undertaken on an arm's length basis and on normal commercial terms as follow:-

"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";
- (d) In their review on the RRPTs, the Audit and Examination Committee, may as they deem 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 and Examination Committee also has the discretion to revise and impose additional procedures; and
- (e) Any member of the Board and Audit and Examination 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.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by BHB Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure the RRPTs are not detrimental to BHB Group and the minority shareholders.

BHB Group has no thresholds for the approval of its RRPTs.

2.1.6 Board Audit and Examination Committee Statement

The Board Audit and Examination Committee has reviewed the procedures mentioned in Section 2.1.5 of the above for the RRPTs as disclosed in Section 2.1.3, and is of the view that the said procedures are sufficient to ensure that the RRPTs 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.

BHB Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

2.1.7 Validity period for Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved at the forthcoming AGM, will continue to be in force until:

- (a) the conclusion of the next AGM of BHB 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 is required 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
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier.

Thereafter, approval from shareholders for a renewal of the mandate will be sought at each subsequent AGM of the Company.

2.1.8 Disclosure in Annual Report

Disclosure will be made in the Company's Annual Report pursuant to the Proposed Renewal of Shareholders' Mandate and in the Annual Reports for subsequent years that the Proposed Renewal of Shareholders' Mandate continues to be in force in accordance with the applicable accounting standards and Section 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:

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

3. RATIONALE AND BENEFIT OF THE PROPOSAL

3.1 Proposed Renewal of Shareholders' Mandate

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

Rationale

- (a) The RRPTs as disclosed in Section 2.1.3 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 RRPTs; and
- (b) The mandate authorised by the Shareholders at the 22nd AGM of the Company shall lapse at the conclusion of the forthcoming AGM. Therefore, the Renewal of Shareholders' Mandate is sought to allow BHB Group to enter into such RRPTs made on an arm's length basis and on normal commercial terms and which are not to the detriment of the minority shareholders of BHB.

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 RRPTs 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 BHB Group; and
- (b) The RRPTs 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 BHB Group. Transacting with its Related Parties also enhances the ability to explore beneficial business opportunities within BHB Group, which will be of benefit to all the companies within BHB 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 RRPTs 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 BHB 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 BHB Group.

5. APPROVAL REQUIRED

The Proposal is subject to the approval of the shareholders at the forthcoming 24th AGM of the Company.

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

Proposed Renewal of Shareholders' Mandate

Save as disclosed below, none of the other directors and/or major shareholders of BHB Group and/or persons connected to them has any interest, direct or indirect in the Proposed Renewal of Shareholders' Mandate.

- (a) Datuk Nik Mohd Hasyudeen Yusoff being the Group Managing Director and Chief Executive Officer of TH is also a Director of BHB and Bank Islam. He has no direct/indirect shareholding in BHB and have accordingly abstained and will continue to abstain from board deliberation and voting on the Proposed Renewal of Shareholders' Mandate. He will also abstain from voting at the forthcoming AGM in respect of their direct and/or indirect shareholdings in BHB, if any, of the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.
- (b) Puan Noraini Che Dan and Encik Zahari @ Mohd Zin Idris are directors of BHB and they are also directors of Bank Islam. They have no direct/indirect shareholding in BHB as at the reporting date. They have abstained and will continue to abstain from board deliberation and voting on the Proposed Renewal of Shareholders' Mandate. They will also abstain from voting at the forthcoming AGM in respect of their direct and/or indirect shareholdings in BHB on the Proposed Renewal of Shareholders' Mandate.
- (c) TH being the interested major shareholder of BHB will abstain from voting in respect of its direct and indirect shareholdings in BHB, on the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.
- (d) Encik Mohd Muazzam Mohamed, the Chief Executive Officer of BHB is also the Chief Executive Officer of Bank Islam. Accordingly, he has abstained and will continue to abstain from the relevant board deliberation and voting on the Proposed Renewal of Shareholders' Mandate. Further, he will abstain from voting in respect of his direct and indirect shareholdings in BHB, if any, at the AGM.

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

The direct and/or indirect shareholdings of the interested directors and major shareholders in BHB as at 31 March 2021 are as follows:-

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Interested Directors</u>				
Datuk Nik Mohd Hasyudeen Yusoff	-	-	-	-
Puan Noraini Che Dan	-	-	-	-
Encik Zahari @ Mohd Zin Idris	-	-	-	-
<u>Chief Executive Officer</u>				
Encik Mohd Muazzam Mohamed	-	-	-	-
<u>Major Shareholder</u>				
TH	985,113,900	53.14	-	-

7. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposal, the Board, save for the Interested Directors as mentioned above 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, the Board, save for the Interested Directors as mentioned above 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. AGM

The 24th AGM of the Company will be conducted **entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities** ("Virtual Meeting Facilities"). The Virtual Meeting Facilities will be available at Boardroom Share Registrars Sdn Bhd's website via Boardroom Smart Investor Online Portal at <https://boardroomlimited.my>. Please follow the procedures provided in the Administrative Guide for the 24th AGM in order to register, participate and vote remotely.

The venue of the 24th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 96 of the Company's Constitution which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 24th AGM is to inform shareholders where the electronic AGM production and streaming would be conducted. No shareholders/proxies from the public will be physically allowed at the meeting venue.

In accordance with Clause 109 of the Company's Constitution, each member of the Company ("Member") shall be entitled to present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. Members may exercise their rights to participate (including pose questions via the Virtual Meeting Facilities) during the 24th AGM.

The instrument appointing a proxy ("Proxy Form") must be deposited at the Registrar's office in the following manner:

- a) by electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> by logging in and selecting "E-PROXY LODGEMENT"; or
- b) by hand or post to Boardroom Share Registrar Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than forty eight (48) hours before the time appointed for holding the meeting which is no later than Monday, 31 May 2021 at 10.00 a.m.

The lodging of a completed Proxy Form does not preclude a Member from attending and voting should the Member decided to do so. If the Member subsequently decided to attend the 24th AGM, the Member is requested to revoke the earlier appointment of proxy by notifying Boardroom in writing, no later than Monday, 31 May 2021 at 10.00 a.m.

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

TAN SRI AMBRIN BUANG
Chairman / 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 of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACT

There are no material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the BHB Group during the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION

Save as disclosed below, there were no changes in material litigation, claim or arbitration including the status of pending material litigation since the last annual balance sheet date of 31 December 2020.

(i) **Alor Setar High Court Civil Suit No.: KA-22M-10-04/2019: 5 Star Room Hotel Sdn. Bhd. v Bank Islam Malaysia Berhad**

On 16 April 2019, 5 Star Room Hotel Sdn. Bhd. (“**Plaintiff**”) filed a civil suit in the Alor Setar High Court against Bank Islam (“**Defendant**”) claiming for breach of promise to provide financing facilities to Pan Asian Resorts Sdn. Bhd., the Plaintiff’s parent company and the second plaintiff in this suit.

The claim was for a total sum of RM400 million, which comprises amongst others, general damages, exemplary damages in the sum of RM200 million and aggravated damages in the sum of RM200 million.

On 20 December 2019, Bank Islam filed an application to strike out the Plaintiff’s writ of summons and statement of claim. The High Court had, on 13 July 2020, allowed Bank Islam’s application to strike out the Plaintiff’s writ of summons and statement of claim and made order as to costs. On 29 July 2020, the Plaintiff had filed a Notice of Appeal to the Court of Appeal to appeal against the decision of the High Court. The Court of Appeal had fixed the date for case management on 22 February 2021.

On 22 February 2021, the Court of Appeal had fixed the next case management date on 14 April 2021 pending Written Grounds of Judgment from Alor Setar, High Court. The hearing date will only be fixed once the Written Grounds of Judgment is ready from Alor Setar, High Court.

On 14 April 2021, COA was informed that the Plaintiff/Appellant had received Written Grounds of Judgment from Alor Setar, High Court. Hence, the COA had fixed the Hearing of the Appeal on 30 August 2021.

Our counsel is of the view that the said appeal is likely to be dismissed due to the Plaintiff having no reasonable cause of action against Bank Islam.

(ii) **Kuala Lumpur High Court Suit No.: WA-22M-634-08/2019: Bank Islam Malaysia Berhad v 5 Star Room Hotel Sdn Bhd, Tang Wooi Chon, Chunsi Kudkumkong, Tang Woan Rou, Tang Woanren**

On 20 August 2019, Bank Islam filed a civil suit against 5 Star Room Hotel Sdn Bhd (“**Customer**”) and the guarantors, namely Tang Wooi Chon, Chunsi Kudkumkong, Tang Woan Rou and Tang Woanren (collectively be referred to as the “**Defendants**”) claiming for a total amount of RM120,738,812,69 being the outstanding financing facilities granted by Bank Islam to the Customer.

On 8 November 2019, Bank Islam had filed an application for summary judgment and on 18 November 2019, Bank Islam had filed an application to strike out the Defendants' counter-claim.

The High Court had, on 1 July 2020, allowed Bank Islam's application for summary judgement and the application to strike out the Defendants' counter-claim, and dismissed the Defendants' counter-claim.

The Defendants had filed a Notice of Appeal to Court of Appeal vide Appeal No.: W-02(IM)(MUA)-788-07/2020 on 9 July 2020 to appeal against the decision of the High Court. The Defendants had, on 19 August 2020, filed the application for stay of execution against the decision by the High Court. On 1 October 2020, the High Court had allowed the said application with costs to be borne by the Defendants. On 27 October 2020, the Court of Appeal had fixed the date of hearing on the appeal on 7 July 2021.

Our counsel is of the view that, based on the grounds of judgement by the High Court, the Defendant's appeal is highly likely to be dismissed due to the Defendants having no meritable defence and duplication of action as described in sub-paragraph (i) above.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 31st Floor, Menara Bank Islam, No. 22 Jalan Perak, 50450 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 Constitution of BHB;
- (b) the audited Financial Statements of BHB for the financial year ended 31 December 2019 and 2020; and
- (c) the relevant update papers in respect of material litigation referred to in Item 3 of Appendix I above.

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BIMB HOLDINGS BERHAD
(Company No.: 199701008362 (423858-X))
(Incorporated in Malaysia)

EXTRACT NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **TWENTY FOURTH (24th) Annual General Meeting of BIMB Holdings Berhad** (“BHB” or “the Company”) will be held **fully virtual** at the broadcast venue at **Level 31, Menara Bank Islam, 22 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 2 June 2021 at 10.00 a.m.** for the following purpose:

AS SPECIAL BUSINESS

Ordinary Resolution 5

Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

“That subject to the Companies Act 2016, the Constitution of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad approval be and is hereby given to BIMB Holdings Berhad and its subsidiaries to enter into the category of recurrent related party transactions of a revenue or trading nature with those related parties as specified in Section 2.1.3 of the Circular to Shareholders dated 30 April 2021 which are necessary for the Group’s day to day operations subject to the following:-

- a) The transactions carried out are in the ordinary course of business and are on normal commercial terms that do not favour the related parties more than the general public;
- b) Are not detrimental to the minority shareholders of the Company; and
- c) Will be disclosed in the Integrated Annual Report 2020 with the breakdown of the aggregate value of transaction conducted during the financial year pursuant to the shareholders’ mandate during the financial year (“Mandate”).

And that the Mandate conferred by this resolution shall commence immediately upon the passing of this Resolution;

And that such Mandate shall continue to be in force until:

- i) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- ii) the expiration of the period within which the next Annual General Meeting after the date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of Companies Act 2016); or
- iii) it is revoked or varied by a resolution passed by the shareholders in a general meeting.

whichever is the earlier.”

By Order of the Board

MARIA MAT SAID

Company Secretary (LS 0009400)
Practicing Certificate No. 202008002449
Kuala Lumpur
3 May 2021

Notes:

APPOINTMENT OF PROXY

- 1) In accordance with Clause 92 of the Company's Constitution, a Member entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or more proxies to exercise all or any of his/her rights to attend, participate, speak and vote for him/her subject to the following provisions:
 - a) save as provided for Note (2) below, Clause 113 of the Company's Constitution and the Companies Act 2016, each member shall not be permitted to appoint more than two (2) proxies to attend the same meeting; and
 - b) where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- 2) For the avoidance of doubt and subject always to Note (1)(b) above, the Company's Constitution and the Companies Act 2016:
 - a) where a Member is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which an exempt authorized nominee may appoint in respect of each omnibus account it holds; and
 - b) where a Member is an authorized nominee, he/she may appoint at least one (1) proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorized nominee may be made separately or in one instrument of proxy should specify the securities account number and the name of the beneficial owner for whom the authorized nominee is acting.
- 3) There shall be no restriction as to the qualification of the proxy. Hence, a proxy may not need to be a Member.
- 4) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorized in writing or if such appointer is a corporation, under its Seal or the hand of its attorney.
- 5) The instrument appointing a proxy ("Proxy Form") must be deposited at the Registrar's office in the following manner:
 - a) by electronic means through the Boardroom Smart Investor Portal at <https://boardroomlimited.my> by logging in and selecting "E-PROXY LODGEMENT"; or
 - b) by hand or post to Boardroom Share Registrar Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than forty eight (48) hours before the time appointed for holding the meeting which is no later than Monday, 31 May 2021 at 10.00 a.m.
- 6) The lodging of a completed Proxy Form does not preclude a Member from attending and voting should the Member decided to do so. If the Member subsequently decided to attend the 24th AGM, the Member is requested to revoke the earlier appointment of proxy by notifying Boardroom in writing, no later than Monday, 31 May 2021 at 10.00 a.m.
- 7) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 24th AGM will be conducted by way of a poll.

MEMBERS ENTITLED TO ATTEND THE VIRTUAL AGM

For the purpose of determining a Member who is entitled to attend the virtual 24th AGM, the Company will request Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 93 of the Company's Constitution, to issue a Record of Depositor ("ROD") as at 25 May 2021. Only Depositor whose name appears on the ROD as at 25 May 2021 shall be entitled to attend the meeting or appoint a proxy(ies) to attend and/or vote on his/her behalf.