



MBf HOLDINGS BERHAD

(5223-K) (Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 47th Annual General Meeting of the Company will be held at Kinabalu Auditorium, The Podium Auditorium & Conference Centre, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur on Tuesday, 29 June 2010 at 10.00 a.m. for the following purposes:-

As Ordinary Business:

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve the payment of a final dividend of 10 sen per share less income tax of 25% for the financial year ended 31 December 2009. **(Resolution 2)**
3. To approve the payment of Directors' Fees for the financial year ended 31 December 2009. **(Resolution 3)**
4. To re-elect as Director, Martin Richard Haeger, who is retiring pursuant to Article 96 of the Company's Articles of Association. **(Resolution 4)**
5. To re-elect as Director, Abdul Rahman Bin Achmed, who is retiring pursuant to Article 96 of the Company's Articles of Association. **(Resolution 5)**
6. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business:

To consider and, if thought fit, to pass with or without modifications, the following ordinary resolutions:-

7. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 **(Resolution 7)**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and approvals from other governmental/regulatory bodies where such approvals shall be necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965, from time to time to issue ordinary shares from the unissued capital of the Company upon such terms and conditions and at such times as may be determined by the Directors of the Company to be in the interest of the Company, provided always that the aggregate number of shares to be issued pursuant to this resolution in any one financial year shall not exceed 10 percent of the issued capital for the time being of the Company."

8. Proposed renewal of shareholder mandate for existing recurrent related party transactions and new shareholder mandate for additional recurrent related party transaction of a revenue or trading nature. **(Resolution 8)**

“THAT, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries shall be mandated to enter into such recurrent transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.2 of the Circular dated 7 June 2010 subject further to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public; and
- (b) disclosure will be made in the Annual Report of the aggregate value of transactions conducted during the financial year, including amongst others, the following information:-
 - (i) the type of the recurrent transactions made; and
 - (ii) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company and/or its subsidiaries.

AND THAT such mandate shall commence upon passing of this resolution and shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting; or
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by a resolution passed by the shareholders at a general meeting before the next AGM;

whichever is the earliest.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the mandate.”

9. To transact any other business of which due notice shall have been received.

By Order of the Board

CHONG SIEW HOONG (MIA 5062)
ONG HUA MENG (MIA 6346)
Company Secretaries

Kuala Lumpur
7 June 2010

Notes:

1. A member of the Company entitled to attend and vote at this Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation under its Common Seal or the hand of its attorney.
3. All forms of proxy must be deposited at the Registered Office of the Company at Level 17, Menara MBf, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof.
4. Only members registered in the Record of Depositors on or before 5.00 p.m. on 23 June 2010 shall be eligible to attend this Meeting.

Explanatory Notes On Special Business:

1. Resolution 7 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The proposed resolution, if passed, will give the Directors of the Company, from the date of this Meeting, authority to issue and allot ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expires at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

2. Resolution 8 - Proposed renewal of shareholder mandate for existing recurrent related party transactions and new shareholder mandate for additional recurrent related party transaction of a revenue or trading nature

The proposed resolution, if passed, is a shareholders' mandate for the Company and/or its subsidiaries to enter into existing and additional recurrent related party transactions ("RRPT"). These RRPT are necessary for the Group's day-to-day operations in the ordinary course of business and are based on commercial terms which are not more favourable to the related parties than those generally available to the public. The said mandate shall lapse at the conclusion of the next AGM unless it is revoked or varied by a resolution passed by the shareholders of the Company at a general meeting.

Shareholders are requested to refer to the enclosed Circular to Shareholders dated 7 June 2010 for additional information.

Statement Accompanying Notice of Annual General Meeting Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

No individual is seeking election as a Director at the forthcoming 47th AGM of the Company.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to the accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this Circular.



MBf HOLDINGS BERHAD

(5223-K) (Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to the

PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS AND NEW SHAREHOLDER MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

The Notice convening the 47th Annual General Meeting ("AGM"), which is to be held at Kinabalu Auditorium, The Podium Auditorium & Conference Centre, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur on Tuesday, 29 June 2010 at 10.00 a.m. together with the Form of Proxy, as set out in the Company's 2009 Annual Report are enclosed with this Circular.

A member entitled to attend and vote at the 47th AGM is entitled to appoint a proxy/proxies (up to 2 proxies) to attend and vote for him. Your Form of Proxy should reach the Registered Office of the Company at Level 17, Menara MBf, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia not later than forty-eight (48) hours before the time of the Company's 47th AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Meeting should you subsequently wish to do so.

This Circular is dated 7 June 2010

DEFINITIONS

In this Circular, unless otherwise stated, the following definitions shall apply throughout this Circular:

- “Act” : The Companies Act, 1965
- “Additional RRPT” : The RRPT with the Related Party as set out in Part B, Section 2.2 of this Circular
- “AGM” : Annual General Meeting of MBfH
- “AUD” : Australian Dollar
- “Board” : Board of Directors of MBfH
- “Bursa Securities” : Bursa Malaysia Securities Berhad (635998-W)
- “Director” : Shall have the meaning given in Section 4 of the Act and for the purpose of the Proposal include any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of MBfH (or any other company which is its subsidiary)
- “Existing Shareholder Mandate” : Shareholder mandate dated 29 June 2009 granting the MBfH Group the mandate for RRPT with the Related Parties as set out in the Company’s Circular dated 5 June 2009
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities, including any Practice Notes issued in relation thereto
- “Major Shareholder(s)” : Person(s) who has/have an interest or interests in one or more voting shares in MBfH 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 MBfH; or
 - (b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in MBfH where such person is the largest shareholder of MBfH.
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act. A major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of MBfH (or any other company which is its subsidiary)
- “MBfH” or “the Company” : MBf Holdings Berhad
- “MBf Group” or “the Group” : MBfH and its subsidiaries as defined in Section 5 of the Act
- “Person(s) Connected” : In relation to a Director or Major Shareholder, means such person(s) who fall(s) under any one of the following categories:
- (a) a member of the Director’s or Major Shareholder’s family, which family shall have the meaning given in Section 122A(2) of the Act;
 - (b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a member of the Director’s or Major Shareholder’s family is a beneficiary;
 - (c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
 - (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;

DEFINITIONS

MBf Holdings Berhad

- (e) a person in accordance with whose directions, instructions or wishes of the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (g) a body corporate or its directors whose directions, instructions or wishes of the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
 - (h) a body corporate in which the Director, Major Shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
 - (i) a body corporate which is a related corporation, which related corporation shall have the meaning as defined in the Act
- “Proposal” : The Proposed Renewal of Existing Shareholder Mandate and the Proposed New Shareholder Mandate
- “Proposed Renewal of Existing Shareholder Mandate” : Renewal of Shareholder Mandate obtained on 29 June 2009 for the MBfH Group to enter into RRPT with Related Parties as set out in the Company's Circular dated 5 June 2009
- “Proposed New Shareholder Mandate” : New Shareholder Mandate for Additional RRPT with the Related Party as set out in Part B Section 2.2 of this Circular
- “RCCLS-A” : USD19,236,664 Class A guaranteed floating rate redeemable convertible secured loan stock with current outstanding value of USD19,236,664
- “RCCLS-B” : USD11,294,335 Class B guaranteed floating rate redeemable convertible secured loan stock with current outstanding value of USD5,665,323
- “Related Party/(ies)” : Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s). For the purpose of the Proposal, the Related Parties are set out in Section 2.2 of this Circular
- “RM” and “sen” : Ringgit Malaysia and sen respectively
- “RRPT” : Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company or its subsidiaries and are on terms that are not more favourable to the Related Parties than those generally available to the public
- “USD” : United States Dollar

Words incorporate the singular shall, where applicable, include the plural and vice versa and words incorporate the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference to this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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7 June 2010

Board of Directors

- 1) Lee Chaing Huat
(Independent Non-Executive Chairman)
- 2) Tan Sri Datuk Dr Ninian Mogan Lourdenadin
(Group Chief Executive Officer/Executive Director)
- 3) Susan A/P Rajanayagam
(Managing Director/Executive Director)
- 4) Martin Richard Haeger
(Executive Director)
- 5) Datuk Azizan bin Abd Rahman
(Independent Non-Executive Director)
- 6) Abdul Rahman bin Achmed
(Independent Non-Executive Director)

Dear Shareholders,

PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS AND NEW SHAREHOLDER MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

On 4 May 2010, the Board of MBfH announced its intention to seek your approval at the Company's forthcoming 47th AGM to be convened for the proposed renewal of Existing Shareholder Mandate and the proposed New Shareholder Mandate for Additional RRPT ("the Proposal").

The purpose of this Circular is to set out the details of the Proposal and to seek your approval for the resolution pertaining to the Proposal to be tabled at the forthcoming 47th AGM to be held at Kinabalu Auditorium, The Podium Auditorium & Conference Centre, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur on 29 June 2010 at 10.00 a.m. The Notice of the 47th AGM together with the Form of Proxy as set out in the 2009 Annual Report of the Company are enclosed with this Circular.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSAL. AN EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE PROPOSAL IS SET OUT IN APPENDIX I OF THIS CIRCULAR.

2. DETAILS OF THE PROPOSAL

The procurement of the Proposal will permit the MBf Group to enter into the below-mentioned transactions with the Related Parties which are necessary for the Group in its day-to-day operations. The principal activities of MBfH are investment holding and the provision of management services to its group of companies. The operations of the Group are classified into the following core segments:-

- Card and Payment Services;
- Trading and Manufacturing;
- Property;
- Plantation and Farming;
- Financial Services; and
- Others

2.1 Proposal

The Proposal comprises:-

(a) Renewal of Existing Shareholder Mandate in respect of the following services:-

- (i) Rental of premises;
- (ii) Procurement of goods and services;
- (iii) Management services; and
- (iv) Air travel services.

(b) Proposed New Shareholder Mandate for Additional RRPT in respect of rental of office space.

2.2 Classes and Nature of RRPT

The RRPT for which approval is being sought in the Proposal are as set out herein. The basis of arriving at the estimated values is based on values transacted during the financial year ended 31 December 2009 as well as the latest information relating to these transactions and the anticipated market prices. These RRPT have been reviewed by the Audit Committee, the procedures of which are set out in Section 2.4.

Transacting company in the Group	Transacting Related Party	Nature of transaction	Interested Director/Major Shareholder (Note a)	Estimated value of RRPT from this AGM to the next AGM RM'000	Frequency of RRPT
Part A : Renewal of Existing Shareholder Mandate					
1. MBF Cards (M'sia) Sdn Bhd ("MBF Cards")	Nadin Management Sdn Bhd ("Nadin")	Rental of office space at Ampang Point Shopping Centre, Kuala Lumpur.	Tan Sri Mogan & Susan A/P Rajanayagam	92	Monthly
2. MBF Cards	Nadin Sdn Bhd	Rental of residence at Kenny Hill, Jalan Duta, Kuala Lumpur which will be terminated in July 2010.	Tan Sri Mogan & Susan A/P Rajanayagam	8	Monthly
3. MBF Cards	Nadin Properties Sdn Bhd ("Nadin Properties")	Rental of office space at Menara MBf, Jalan Sultan Ismail, Kuala Lumpur.	Tan Sri Mogan & Susan A/P Rajanayagam	7,000	Monthly
4. Carpenters Fiji Limited ("Carpenters Fiji")	Royel Departmental Stores Sdn Bhd ("Royel")	Purchase of goods and services through Royel by Carpenters Fiji. Commission payable to Royel is 2% to 10% of the invoiced value.	Tan Sri Mogan & Susan A/P Rajanayagam	*644 or <i>USD200,000</i>	As and when necessary
5. MBf Carpenters Pty Ltd ("MBf Carpenters")	Coral Security Limited ("Coral")	Provision of management services by Coral : (i) annual management fee; and (ii) profit incentive fee (21% of operating profits in excess of AUD1.385 million).	Tan Sri Mogan	*1,125 or <i>AUD400,000</i> *14,063 or <i>AUD5,000,000</i>	Monthly Half Yearly
6. MBfH Group	Independent Aviation Sdn Bhd ("IA")	Provision of air travel services.	Tan Sri Mogan & Susan A/P Rajanayagam	*8,500 or <i>AUD3,022,500</i>	As and when necessary
Part B : Proposed New Shareholder Mandate for Additional RRPT					
1. MBfH	Nadin Properties	Rental of office space at Menara MBf, Jalan Sultan Ismail, Kuala Lumpur.	Tan Sri Mogan & Susan A/P Rajanayagam	396	Monthly

**Based on the exchange rates as at 18 May 2010:*

USD1.00 : RM3.2217 AUD1.00 : RM2.8125

Note a : The interested Directors/Major Shareholder are:-

- i. Tan Sri Mogan - Tan Sri Datuk Dr Ninian Mogan Lourdenadin is:-
 - a Major Shareholder, the Group Chief Executive Officer and Executive Director of MBfH;
 - a Director of MBF Cards, Carpenters Fiji and MBf Carpenters; and
 - a Director of and has 100% beneficial interest in Nadin, Nadin Sdn Bhd, Nadin Properties, Royel, Corali and IA.
- ii. Susan A/P Rajanayagam is:-
 - the Managing Director of MBfH;
 - a Director of MBF Cards, Carpenters Fiji and MBf Carpenters; and
 - the Managing Director of Nadin, Nadin Sdn Bhd, Nadin Properties, Royel and IA.

2.3 Existing Shareholder Mandate obtained at the last AGM

The details of the estimated value and actual value transacted of each RRPT from the date the Existing Shareholder Mandate was obtained at the 46th AGM of the Company on 29 June 2009 up to 18 May 2010, being the latest practicable date before the printing of this Circular are set out below:-

Transacting company in the Group	Transacting Related Party	Nature of transaction	Interested Director/Major Shareholder *	Estimated value of RRPT disclosed in the Circular to Shareholders dated 5 June	
				2009 RM'000	Actual value RM'000
1. MBF Cards (M'sia) Sdn Bhd ("MBF Cards")	Nadin Management Sdn Bhd ("Nadin")	Rental of office space at Ampang Point Shopping Centre, Kuala Lumpur.	Tan Sri Mogan & Susan A/P Rajanayagam	84	83
2. MBF Cards	Nadin Sdn Bhd	Rental of residence at Kenny Hill, Jalan Duta, Kuala Lumpur. Tenancy is expiring in July 2010 and will not be renewed.	Tan Sri Mogan & Susan A/P Rajanayagam	100	108
3. MBF Cards	Nadin Properties Sdn Bhd ("Nadin Properties")	Rental of office space at Menara MBf, Jalan Sultan Ismail, Kuala Lumpur.	Tan Sri Mogan & Susan A/P Rajanayagam	7,000	7,000
4. Carpenters Fiji Limited ("Carpenters Fiji")	Royel Departmental Stores Sdn Bhd ("Royel")	Purchase of goods and services through Royel by Carpenters Fiji (commission payable to Royel is 2% to 10% of the invoiced value).	Tan Sri Mogan & Susan A/P Rajanayagam	345 or <i>USD97,800</i>	239 or <i>USD71,000</i>
5. MBf Carpenters Pty Ltd ("MBf Carpenters")	Corali Securities Limited ("Corali")	Provision of management services by Corali : (i) annual management fee; and (ii) profit incentive fee (21% of operating profits in excess of AUD1.385 million).	Tan Sri Mogan	1,069 or <i>AUD400,000</i>	1,133 or <i>AUD400,000</i>
				18,704 or <i>AUD7,000,000</i>	3,124 or <i>AUD1,032,000</i>

Transacting company in the Group	Transacting Related Party	Nature of transaction	Interested Director/Major Shareholder *	Estimated value of RRPT disclosed in the Circular to Shareholders dated 5 June 2009	
				RM'000	Actual value RM'000
6. MBfH Group	Independent Aviation Sdn Bhd ("IA")	Provision of air travel services.	Tan Sri Mogan & Susan A/P Rajanayagam	6,523 or AUD2,441,250	4,218 or AUD1,480,700
7. MBF Cards	Royel	Sublet of office space at Ampang Superbowl, Langkawi, Kedah.	Tan Sri Mogan & Susan A/P Rajanayagam	14	10

* The interested directors, Tan Sri Mogan and Susan A/P Rajanayagam are interested in the above RRPT in the same manner as elaborated in Section 2.2 above.

All the tenure of the office space as listed above are for a tenancy of not more than 3 years. The rental are payable on a monthly basis.

None of the actual value transacted of the above RRPT from the date on which the Existing Shareholder Mandate was obtained (i.e. the date of the last AGM on 29 June 2009) up to 18 May 2010, being the latest practicable date before the printing of this Circular, has exceeded the estimated value by 10% or more.

2.4 Review Procedures for RRPT

The Audit Committee of MBfH reviews the RRPT to ensure that the Group undertakes such transactions on normal commercial terms before recommending them for approval by the Board. The Audit Committee is kept informed of the procedures/guidelines in respect of the RRPT and reviews them periodically.

The following guidelines are applied to the review and approval of RRPT:-

- (i) Any tender, quotation or contract received from or proposed to be entered into with Related Parties will not be approved unless:-
 - (a) The pricing for the MBf Group of the services, products and material and/or equipment to be provided or supplied and/or received or purchased is determined in accordance with the Group's usual business practices and policies, as mentioned in Section (i)(c) below and is consistent with the usual margins of the Group with unrelated third parties;
 - (b) At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, whenever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered by/to other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on those offered to/by other unrelated third parties for the same or substantially similar type of transaction to ensure that the RRPT is not detrimental to the Group;
 - (c) The terms are not more favourable to the Related Parties than those extended to unrelated third parties and available to the public and the RRPT are not detrimental to the minority shareholders of MBfH; and

- (d) In respect of the provision, supply and/or purchase of equipment, machinery, products and/or services after taking into account factors such as pricing, quality, delivery schedules and, where applicable, preferential rates, rebates or discounts accorded for bulk purchases, the terms offered are fair, reasonable and comparable with the MBf Group's commercial rates.
- (ii) The Audit Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources or advisers.
- (iii) In addition, the Audit Committee also undertakes the following:-
 - (a) review from time to time the RRPT undertaken by the MBf Group;
 - (b) carry out an annual review to ascertain whether the established guidelines and procedures for RRPT have been complied with; and
 - (c) consider from time to time whether the established guidelines and procedures for RRPT have become inappropriate and/or are unable to ensure that the transactions will be on normal commercial terms, and/or will prejudice the interests of the minority shareholders.
- (iv) The Company will also maintain a record of RRPT carried out pursuant to the Proposal which is reviewed by the Audit Committee every quarter.
- (v) It is the Group's policy that interested directors and members of the Audit Committee will abstain from deliberating and voting on all matters pertaining to the RRPT at the relevant meetings of the Board or Audit Committee.

2.5 Statement by the Audit Committee

The Audit Committee has seen and reviewed the procedures mentioned in Section 2.4 above and is satisfied that the said procedures as well as the reviews by the Audit Committee in relation thereto, are sufficient to ensure that the RRPT are carried out on normal commercial terms which are not prejudicial to the interests of the minority shareholders, and the terms are not more favourable to the Related Parties than those generally available to the public and that such transactions are not detrimental to the interests of the minority shareholders of MBfH.

The Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner.

As at the date of this Circular, the composition of the Audit Committee is as follows:-

Lee Chaing Huat	Chairman
Datuk Azizan bin Abd Rahman	Member
Abdul Rahman bin Achmed	Member

The Audit Committee shall continue to periodically review these RRPT and also review the established guidelines and procedures to ascertain their appropriateness and compliance.

2.6 Guideline on Thresholds of Authority

There are no specific thresholds for approval of RRPT within the Group as all the RRPT are subject to the Audit Committee's review before recommending to the Board for approval.

In compliance with Paragraph 10.09(1)(a) of the Main Market Listing Requirements of Bursa Securities, MBfH will immediately announce a RRPT where:-

- (i) The consideration, value of assets, capital outlay or costs of the aggregated transaction is equal to or exceeds RM1.0 million; or
- (ii) Any one of the percentage ratio of such aggregated transactions is equal to or exceeds 1%,

whichever is the higher.

3. RATIONALE FOR THE PROPOSAL

To the best knowledge and belief of the Audit Committee, the Proposal is in the best interest of the Group. The close and long working relationship with the Related Parties ensures and will continue to ensure timely delivery and provision of services, commitment and reliability of quality services to the MBf Group to enable the smooth operation of its day-to-day business. In addition, certain transactions may be time sensitive and it may be impracticable to seek shareholders' approval on a case-to-case basis prior to entering into such transactions.

By obtaining the shareholders' approval for the Proposal, the necessity to convene separate meetings from time to time to seek shareholders' approval as and when such RRPT occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group.

The RRPT in the Proposal are entered into by the Group in the ordinary course of business and intended to meet the business needs of the Group at the best possible terms as well as to enable the Group to explore mutually beneficial business opportunities with the Related Parties.

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

The interests of the interested Directors of MBfH in the shares, warrants and debentures in the Company and its related corporations as at 18 May 2010 are as follows:-

(a) Ordinary Shares of RM1 each

Directors	Direct		Indirect	
	No.	%	No.	%
Tan Sri Mogan	-	-	462,996,991*	81.22
Susan A/P Rajanayagam	-	-	-	-

(b) Warrants

Directors	Direct		Indirect	
	No.	%	No.	%
Tan Sri Mogan	-	-	221,860,587*	83.70
Susan A/P Rajanayagam	1,000,000	0.38	-	-

(c) Redeemable Convertible Secured Loan Stock A ("RCSLS-A")

Director	Direct		Indirect	
	USD	%	USD	%
Tan Sri Mogan	-	-	14,468,439**	75.21
Susan A/P Rajanayagam	-	-	-	-

(d) Redeemable Convertible Secured Loan Stock B ("RCSLS-B")

Director	Direct		Indirect	
	USD	%	USD	%
Tan Sri Mogan	-	-	2,490,158**	43.95
Susan A/P Rajanayagam	-	-	-	-

Notes:

**Deemed interest by virtue of his interest in the following companies pursuant to Section 6A of the Act:-*

Company	Shares		Warrants	
	No.	%	No.	%
Tor Private Limited	231,373,084	40.59	118,435,487	44.68
Nadin Holdings Sdn Bhd	107,181,492	18.80	76,517,079	28.87
Market Share Investments Ltd	45,648,707	8.01	6,011,472	2.27
Impact Action Sdn Bhd	78,793,708	13.82	20,896,549	7.88
Total	462,996,991	81.22	221,860,587	83.70

Total shares and warrants in issue are 570,050,114 and 265,063,616 respectively.

*** Deemed interest by virtue of his RCSLS-A and RCSLS-B held in trust by Corali pursuant to Section 6A of the Act.*

The RCSLS-A and RCSLS-B mentioned above are convertible into approximately 46,612,970 and 8,022,542 new ordinary shares of RM1.00 each in MBfH respectively based on the exchange rate of USD1.00 : RM3.2217 as at 18 May 2010.

Save as disclosed above, none of the other directors or major shareholders of MBfH or persons connected to them have any interest, direct or indirect, in the Proposal.

Tan Sri Mogan and Susan A/P Rajanayagam are deemed interested in the Proposal and have accordingly abstained and will continue to abstain from Board deliberations and voting on the resolution in respect of the Proposal in the forthcoming 47th AGM.

In this respect, the above interested directors will also ensure that the persons connected to them will abstain from voting on the resolution in respect of the Proposal in the forthcoming 47th AGM.

5. CONDITIONS OF THE PROPOSAL

The Proposal is conditional upon the approval of the shareholders of MBfH to be obtained at the forthcoming 47th AGM.

The Shareholder Mandate for the Proposal, if obtained at the forthcoming 47th AGM shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by a resolution passed by the shareholders at a general meeting before the next AGM;

whichever is the earliest.

The Shareholder Mandate for the Proposal is subject to annual review in general meetings and disclosure will be made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholder Mandate during the financial year.

6. DIRECTORS' RECOMMENDATION

The Board (save for Tan Sri Mogan and Susan A/P Rajanayagam) having considered all aspects of the Proposal, is of the opinion that the Proposal is fair and reasonable and is in the best interest of the shareholders and the Group.

Accordingly, the Board (save for Tan Sri Mogan and Susan A/P Rajanayagam who are deemed interested in the Proposal and have abstained from expressing any recommendations in relation thereto) recommends that the shareholders vote in favour of the resolution to be tabled at the forthcoming 47th AGM.

7. 47TH AGM

The notice convening the 47th AGM to vote on the resolution pertaining to the Proposal as set out in the Company's 2009 Annual Report is also enclosed with this Circular. The 47th AGM will be held at Kinabalu Auditorium, The Podium Auditorium & Conference Centre, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur on Tuesday, 29 June 2010 at 10.00 a.m.

If you are unable to attend and vote in person at the 47th AGM, you are requested to complete, sign and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, as soon as possible, and to be deposited at the Registered Office of the Company at Level 17, Menara MBf, Jalan Sultan Ismail, 50250 Kuala Lumpur, not later than forty-eight (48) hours before the time fixed for the forthcoming 47th AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the forthcoming 47th AGM should you subsequently wish to do so.

8. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
MBf HOLDINGS BERHAD

Lee Chaing Huat
Independent Non-Executive Chairman

EXTRACT OF RESOLUTION TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING 47TH ANNUAL GENERAL MEETING OF MBf HOLDINGS BERHAD

ORDINARY RESOLUTION 8

PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS AND NEW SHAREHOLDER MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

“THAT, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries shall be mandated to enter into such recurrent transactions of a revenue or trading nature which are necessary for their day-to-day operations and with those related parties as specified in Section 2.2 of the Circular to Shareholders dated 7 June 2010, subject further to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable than those generally available to the public; and
- (b) disclosure will be made in the Annual Report of the aggregate value of such transactions conducted during the financial year, including amongst others the following information:-
 - (i) the type of the recurrent transactions made; and
 - (ii) the names of the related parties involved in each type of the recurrent transactions made and their relationship with the Company and/or its subsidiaries.

AND THAT such mandate shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by a resolution passed by the shareholders at a general meeting before the next AGM;

whichever is the earliest.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the mandate.”

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of MBfH and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement in this Circular misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by MBfH and its subsidiaries during the two (2) years immediately preceding the date of this Circular:-

- (a) Facility Agreement dated 20 November 2008 between MBfH and Aseambankers Malaysia Berhad (as Arranger/Facility and Security Agent) and Malayan Banking Berhad (as Lender) for a standby overdraft facility of RM150 million, specially for bridging any shortfall amount of Commercial Papers/Medium Term Notes ("CP/MTN") maturing under the MBF Cards' RM600 million CP/MTN programme;
- (b) Loan Agreement dated 19 December 2008 between Vintage Developers Sdn Bhd, a subsidiary of MBfH and AmBank (M) Berhad for a term loan facility of up to RM95 million to part finance the acquisition of the Alamanda Land for a total consideration of RM120 million pursuant to the Sale and Purchase Agreement dated 2 January 2008 entered into between Vintage Developers Sdn Bhd, a subsidiary of MBfH and Alamanda Development Sdn Bhd (In Creditors' Voluntary Liquidation);
- (c) Loan Agreement dated 26 October 2009 between Carpenters Fiji Ltd, a subsidiary of MBfH and Taunovo Bay Ltd for a loan facility of FJD2.5 million for the purpose of the construction of Beach Club on Taunovo Bay Resort in Fiji;
- (d) Supplemental Settlement Agreement dated 21 January 2010 between AmBank (M) Berhad and MBfH to vary and amend certain terms and conditions of the Settlement Agreement dated 11 May 2007 on the compromise and settlement of all disputes pursuant to the legal suits by the parties and the Alamanda Land;
- (e) Supplemental Sale & Purchase Agreement dated 21 January 2010 between Vintage Developers Sdn Bhd and Alamanda Development Sdn Bhd (In Creditors' Voluntary Liquidation) to vary and amend certain terms and conditions of the Sale and Purchase Agreement dated 2 January 2008;
- (f) Supplemental Loan Agreement dated 21 January 2010 between Vintage Developers Sdn Bhd, a subsidiary of MBfH and AmBank (M) Berhad to vary and amend certain terms and conditions of the Facility referred in 3(b) above; and
- (g) Privatisation Agreement dated 10 March 2010 between MBfH and the major shareholders of MBfH, namely Tor Private Limited, Nadin Holdings Sdn Bhd, Impact Action Sdn Bhd and Market Share Investments Limited in respect of the proposed privatisation of MBfH via a selective capital reduction and repayment exercise under Section 64 of the Companies Act, 1965.

3. MATERIAL LITIGATION

Save as disclosed below, MBfH and its subsidiaries are not engaged in any other material litigation, claims or arbitration either as plaintiff or defendant and the Directors of MBfH do not have any knowledge of any other proceedings pending or threatened against MBfH or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of MBfH and its subsidiaries:-

APPENDIX II

- (a) MBF Cards (M'sia) Sdn Bhd ("MBF Cards") Vs GrandTech Systems Sdn Bhd ("GrandTech") (herein referred to as MBF Cards Action) and GrandTech Vs MBF Cards ("GrandTech Action")

The MBF Cards Action is a claim for approximately RM13.6 million for the non-fulfillment of certain representations by GrandTech, the supplier for goods used in one of MBF Cards' credit card marketing campaigns.

The GrandTech Action for approximately RM6.4 million was filed for the goods delivered, anticipated profit from the remaining undelivered goods and other related expenses. GrandTech had also filed an application for summary relief and interim payment for about RM4.0 million with the Kuala Lumpur High Court ("KL High Court"). The KL High Court had dismissed GrandTech's summary relief application and its appeal against the said dismissal. GrandTech thereafter filed an appeal to the Court of Appeal against the order. At the hearing on 5 March 2010, GrandTech withdrew its appeal with no cost against the KL High Court's Order.

Both the actions have been consolidated and the full trial fixed on 24 – 26 May 2010 has been postponed to 2, 5 and 6 August 2010.

The Board is confident that MBF Cards has a sound claim for the MBF Cards Action and a good defence for the GrandTech Action.

- (b) MBf Holdings Berhad ("MBfH") & MBf Finance Berhad (now AmBank (M) Berhad) (collectively called the "Plaintiffs") Vs Wee Choo Keong, Loi Hean Sso and Houg Hai Kong (collectively called the "Defendants")

The Plaintiffs had on 9 February 1993 obtained an ex-parte injunction to restrain the Defendants from printing, circulating, distributing or publishing in any manner any allegation of impropriety or irregularity or illegality of whatever nature against the Plaintiffs or any of their respective subsidiaries or affiliates.

Wee Choo Keong and Houg Hai Kong ("Appellants") had applied to set aside the ex-parte injunction which was refused by the High Court in 1996. However the Appellants' appeal against the court order was allowed by the Court of Appeal in 2007.

Wee Choo Keong's application to the High Court for legal and incidental costs was dismissed on 30 November 2007 but his application for assessment of damages amounting to approximately RM40 million was heard on 4 February 2010 and fixed for further hearing on 21 July 2010.

Wee Choo Keong's further application to the High Court to enforce damages was allowed on 26 November 2008 which the Plaintiffs filed an appeal against it on 23 December 2008. As at the date of this report, no date has been fixed for the hearing of the appeal.

It is not possible to ascertain the quantum of damages payable by the Plaintiffs at this juncture and the directors are of the view that the Company's liability, if any, is not material and accordingly the Company had not provided for it in its book.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of MBfH at Level 17, Menara MBf, Jalan Sultan Ismail, 50250 Kuala Lumpur, during office hours on Mondays to Fridays (except public holidays) from the date hereof up to the time fixed for holding the forthcoming 47th AGM:-

- (i) Memorandum and Articles of Association of MBfH;
- (ii) Audited Financial Statements of MBfH for the past two (2) financial years ended 31 December 2008 and 2009;
- (iii) Unaudited financial results of MBfH for the quarter ended 31 March 2010;
- (iv) The material contracts referred to in paragraph 2 above; and
- (v) The relevant cause papers in respect of the material litigation referred to in paragraph 3 above.

REQUEST FORM FOR PRINTED ANNUAL REPORT

MBf HOLDINGS BERHAD

(5223-K) (Incorporated in Malaysia)



To : Secretarial Department
MBf Holdings Berhad
Level 17, Menara MBf
Jalan Sultan Ismail
50250 Kuala Lumpur

Contact Persons : Ms. Felicity Woo / Ms. Corrine Tan

Email : felicity.woo@mbfh.com.my / sb.tan@mbfh.com.my

Tel : 603-21678009 / 21678006

Fax : 603-21646985

Please send me/us a printed copy of MBf Holdings Berhad's 2009 Annual Report.

Name of Shareholder : _____

I.C./Passport/Company No.: _____

CDS Account No. : _____

Correspondence Address : _____

Telephone No. : _____

Signature of Shareholder:

Date:

Notes to Shareholders:

- 1) The printed copy of the Annual Report will be forwarded to you within 4 market days from the date of receipt of your written request.
- 2) You may download a copy of the Company's 2009 Annual Report from our website: <http://www.mbfh.com.my>



PLEASE FOLD HERE

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Secretarial Department
MBf HOLDINGS BERHAD
Level 17, Menara MBf
Jalan Sultan Ismail
50250 Kuala Lumpur
MALAYSIA

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FORM OF PROXY

MBf HOLDINGS BERHAD

(5223-K) (Incorporated in Malaysia)



No. of Shares Held

CDS Account No.

I/We _____ (NRIC/Passport/Company No. _____)
(BLOCK LETTERS)

of _____

being a Member/Members of **MBf HOLDINGS BERHAD**, do hereby appoint _____

_____ (NRIC/Passport No. _____)

of _____

representing _____ percentage (%) of my/our shareholdings in the Company and/or failing him/her _____

_____ (NRIC/Passport No. _____)

of _____

representing _____ percentage (%) of my/our shareholdings in the Company or failing him/her/them, **the Chairman of the Meeting** as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the 47th Annual General Meeting of the Company to be held at Kinabalu Auditorium, The Podium Auditorium & Conference Centre, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur on Tuesday, 29 June 2010 at 10.00 a.m. or any adjournment thereof.

My/our proxy/proxies is/are to vote in the manner indicated below with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
AS ORDINARY BUSINESS			
1	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon.		
2	To approve the payment of a final dividend of 10 sen per share less income tax of 25% for the financial year ended 31 December 2009.		
3	To approve the payment of Directors' Fees for the financial year ended 31 December 2009.		
4	To re-elect as Director, Martin Richard Haeger, who is retiring pursuant to Article 96 of the Company's Articles of Association.		
5	To re-elect as Director, Abdul Rahman Bin Achmed, who is retiring pursuant to Article 96 of the Company's Articles of Association.		
6	To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
AS SPECIAL BUSINESS			
7	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
8	Proposed renewal of shareholder mandate for existing recurrent related party transactions and new shareholder mandate for additional recurrent related party transaction of a revenue or trading nature.		

Dated this _____ day of _____ 2010.

Signature(s)/Common Seal

Notes:

- A member of the Company entitled to attend and vote at this Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which, the appointment shall be invalid.
- The instrument appointing the proxy/proxies shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation under its Common Seal or the hand of its attorney.

- All forms of proxy must be deposited at the Registered Office of the Company at Level 17, Menara MBf, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof.
- Only members registered in the Record of Depositors on or before 5.00 p.m. on 23 June 2010 shall be eligible to attend this meeting.



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Secretarial Department
MBf HOLDINGS BERHAD
Level 17, Menara MBf
Jalan Sultan Ismail
50250 Kuala Lumpur
MALAYSIA

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