
NOTICE OF 42ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Second (42nd) Annual General Meeting (“AGM”) of **FIMA CORPORATION BERHAD** (“the Company”) will be held at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 23 August 2017 at 9.30 a.m. for the transaction of the following business:-

ORDINARY BUSINESS

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| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2017 and the Directors’ and Auditors’ Reports thereon. | Please refer to Note A |
| 2. | To approve the payment of a single-tier final dividend of 7.5 sen and a single-tier special dividend of 5.0 sen per ordinary share in respect of the financial year ended 31 March 2017 as recommended by the Directors. | Resolution 1 |
| 3. | To re-elect the following Directors who retire by rotation pursuant to Article 113 of the Company’s Constitution and being eligible offer themselves for re-election:- | |
| | (i) Dato’ Adnan bin Shamsuddin | Resolution 2 |
| | (ii) Dr. Roshayati binti Basir | Resolution 3 |
| 4. | To approve the payment of Directors’ fees for the Non-Executive Directors of the Company for the ensuing financial year. | Resolution 4 |
| 5. | To approve the payment of Directors’ fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 1 April 2017 until the conclusion of the next AGM of the Company. | Resolution 5 |
| 6. | To approve the payment of Directors’ remuneration (excluding Directors’ fees) for the Non-Executive Directors from 1 April 2017 until the conclusion of the next AGM of the Company. | Resolution 6 |
| 7. | To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 7 |

SPECIAL BUSINESS

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| 8. | PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE | Resolution 8 |
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“THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.5 Part A of the Company’s Circular to Shareholders dated 28 July 2017 which are necessary for the day-to-day operations of the Company and/or its subsidiaries provided that such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in full force and effect until:

- (i) the conclusion of the next AGM of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting; or
- (ii) the expiration of the period within which the Company’s next AGM is required to be held under Section 340(1) of the Companies Act, 2016 (“the Act”) (but shall not extend to such extension as may be allowed under Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier;

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AND THAT the Board of Directors of the Company be and is hereby empowered and authorized to complete and do all such acts and things (including executing such documents under the common seal in accordance with the provisions of the Company's Constitution, as may be required) as they may consider expedient or necessary to give effect to the proposed mandate.

9. PROPOSED RENEWAL OF THE AUTHORITY FOR SHARES BUY-BACK

Resolution 9

"THAT subject to compliance with the Act, the MMLR of Bursa Securities, provisions of the Company's Constitution, and all other applicable laws, guidelines, rules and regulations, approval and authority be and are hereby given to the Directors of the Company, to the extent permitted by law, to purchase such number of ordinary shares in Fima Corporation Berhad ("FimaCorp Shares") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the maximum aggregate number of FimaCorp Shares which may be purchased and/or held by the Company shall not exceed 10% of the issued and paid-up share capital of the Company at any time; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company for the time being.

THAT the Directors be and are hereby authorized to deal with the FimaCorp Shares so purchased at their discretion, in the following manner:

- (i) cancel the FimaCorp Shares so purchased; or
- (ii) retain the FimaCorp Shares so purchased as treasury shares; or
- (iii) retain part of the FimaCorp Shares so purchased as treasury shares and cancel the remainder; or
- (iv) distribute the treasury shares as share dividends to the shareholders of the Company and/or re-sell on the Bursa Malaysia in accordance with the MMLR of Bursa Securities and/or cancellation of all or part of them subsequently.

or in any other manner as may be prescribed by the Act, all applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or other relevant authority for the time being in force and that the authority to deal with the purchased FimaCorp Shares shall continue to be valid until all the purchased FimaCorp Shares have been dealt with by the Directors of the Company;

THAT the authority conferred by this resolution shall be effective immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the MMLR of Bursa Securities or any other relevant authorities;

AND FURTHER THAT the Board be and is hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the purchase by the Company of its own shares with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

10. RETENTION OF INDEPENDENT DIRECTORS OF THE COMPANY

- (i) "THAT approval be and is hereby given to Encik Rezal Zain bin Abdul Rashid who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years to continue to act as an Independent Non-Executive Director of the Company."

Resolution 10

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(ii) "THAT approval be and is hereby given to Dato' Adnan bin Shamsuddin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 11**

(iii) "THAT approval be and is hereby given to Datuk Alias bin Ali who has served as an Independent Non-Executive Director of the Company for a cumulative term of nine years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 12**

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Company's Constitution.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 42nd AGM to be held on 23 August 2017, a single-tier final dividend of 7.5 sen and a single-tier special dividend of 5.0 sen for the financial year ended 31 March 2017 will be paid on 18 September 2017 to Depositors whose names appear in the Record of Depositors on 5 September 2017.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 5 September 2017 in respect of transfers; and
- (b) Securities bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

JASMIN BT HOOD (LS 0009071)

LEE MO LENG (MIA 9505)

Company Secretaries

Kuala Lumpur
28 July 2017

(I) Note A

The Audited Financial Statements is for discussion only as it does not require shareholders' approval pursuant to the provision of Section 340(1)(a) of the Act. Hence, it is not put forward for voting.

(II) Resolution 1

Under Section 131 of the Act, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 24 May 2017, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 18 September 2017 in accordance with the requirements under Section 132(2) and (3) of the Act.

(III) Resolutions 4, 5 and 6

Section 230(1) of the Act provides amongst others, that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 42nd AGM on the following payments to Directors in three (3) separate resolutions as below:

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- **Resolution 4** on payment of Directors' fees for the Non-Executive Directors for the ensuing financial year.
- **Resolution 5** on payment of Directors' fees for the Non-Executive Directors who sit on the Board of Directors of subsidiary companies from 1 April 2017 until the conclusion of the next AGM of the Company.
- **Resolution 6** on payment of Directors' remuneration (excluding Directors' fees) for the Non-Executive Directors from 1 April 2017 until the conclusion of the next AGM of the Company.

Ordinary Resolutions 4, 5 and 6 comprises fees, allowances and other benefits payable to the Non-Executive Chairman, members of the Board and Board Committees, including fees and allowances payable to them by subsidiaries are set out in the table below:

Company

		Fee per Annum	Meeting Allowance per meeting	Benefits
Board	Chairman	RM75,000	RM2,000	Medical coverage and other claimable benefits
	Member	RM50,000	RM2,000	
Committees	Chairman of Audit Committee	RM15,000	RM2,000	N/A
	Member of Audit Committee	RM12,000	RM2,000	N/A
	Member of Nomination and Remuneration Committee	N/A	RM2,000	N/A
	Member of Risk Management Committee	N/A	RM2,000	N/A

Subsidiaries

Name	Position Held	Fee Type	Amount
Dato' Adnan bin Shamsuddin	Subsidiary: Percetakan Keselamatan Nasional Sdn Bhd		
	Chairman	Director's fee per annum Meeting allowance per meeting	RM18,000 RM1,000
	Subsidiary: PT Nunukan Jaya Lestari		
	President Commissioner	Director's fee per annum Meeting allowance per meeting	RM18,000 RM1,000
Rezal Zain bin Abdul Rashid	Subsidiary: FCB Plantation Holdings Sdn Bhd		
	Chairman	Director's fee per annum Meeting allowance per meeting	RM18,000 RM1,000

The Directors' fees were last increased in FYE2014. The Directors' fees for FYE2018 will remain unchanged.

The amount of Directors' fees payable is based on the number of meetings for the Board, Board Committees and Board of subsidiaries as well as the number of Non-Executive Directors ("NEDs") involved in these meetings until the conclusion of the next AGM of the Company, including other benefits payable to the NEDs.

Note: The Managing Director does not receive any Director's fees.

(IV) Resolution 7

The Board had at its meeting held on 22 February 2017 approved the recommendation by the Audit Committee on the re-appointment of Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company. The Board and Audit Committee collectively agreed that Messrs. Hanafiah Raslan & Mohamad has met the relevant criteria prescribed by Paragraph 15.21 of the MMLR of Bursa Securities.

(V) EXPLANATORY NOTES ON SPECIAL BUSINESS**(a) Resolution 8**

The proposed Ordinary Resolution 8, if passed, will empower the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

(b) Resolution 9

The proposed Ordinary Resolution 9, if passed, will renew the authority granted by the shareholders at the last AGM. The renewed authority will allow the Company to purchase its own shares of up to 10% of its prevailing ordinary issued and paid-up share capital at any time. The renewed authority, unless revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first.

Further information on the Proposed Renewal of the Authority for Shares Buy-Back is set out in the Circular to Shareholders dated 28 July 2017 which is circulated together with the Company's 2017 Annual Report.

(c) Resolutions 10, 11 and 12

The following Directors were appointed as Independent Non-Executive Directors of the Company and have reached the cumulative nine (9) years term limit as recommended by Malaysian Code on Corporate Governance 2012:-

<u>Directors</u>	<u>Date of Appointment</u>
(i) Encik Rezal Zain bin Abdul Rashid	25 June 2002
(ii) Dato' Adnan bin Shamsuddin	20 May 2003
(iii) Datuk Alias bin Ali	26 August 2004

The Nomination Committee and the Board, through the annual assessment carried out for the financial year ended 31 March 2017, concluded that the above Directors remain independent and recommended them to continue to act as Independent Non-Executive Directors based on the following justifications:-

- Have fulfilled the criteria as an Independent Director as defined in the MMLR of Bursa Securities, and therefore is able to bring independent and objective judgement to the Board;
- Have provided effective check and balance in the proceedings of the Board and the Board Committees;
- Have provided objectivity in decision making through unbiased and independent views as well as advice and judgement, to the Board;
- Have contributed sufficient time and effort and attended all the Committee and Board Meetings for an informed and balanced decision making; and
- Have exercised due care during their tenure as Independent Non-Executive Director of the Company and carried out professional duties in the interest of the Company and shareholders.

Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may not be a member of the Company and a member may appoint more than two (2) proxies by specifying the proportion of his shareholding to be represented by each proxy.
- Where a member of the Company 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 the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be completed and deposited at the registered office of the Company not less than twenty-four (24) hours before the time of holding the Meeting or any adjournment thereof.
- Only members registered in the General Meeting Record of Depositors as at 16 August 2017 shall be eligible to attend the Annual General Meeting or appoint proxy(ies) to attend and/or vote on their behalf.
- The voting at the 42nd AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the results of the poll.