

**General Announcement for PLC (v12)**

Reference No. GA1-04122015-00040

**SUBMITTED**Created by FIMA CORPORATION BERHAD on 04 Dec 2015 at 3:28:51 PM  
Submitted by FIMA CORPORATION BERHAD on 04 Dec 2015 at 5:23:58 PM

COMPANY INFORMATION SECTION			
Announcement Type	<input checked="" type="radio"/> New Announcement <input type="radio"/> Amended Announcement		
Company Name	FIMA CORPORATION BERHAD		
Stock Name	FIMACOR		
Stock Code	3107		
Board	Main Market		

CONTACT DETAIL			
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MAIN	
Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	SHAREHOLDERS AGREEMENT BETWEEN FCB PLANTATION HOLDINGS SDN BHD (COMPANY NO. 270659-U), A WHOLLY-OWNED SUBSIDIARY OF FIMA CORPORATION BERHAD (COMPANY NO. 21185-P) (FIMACORP OR COMPANY) AND AHMAD FAIZEL BIN ABDUL KARIM AND R.N.E PLANTATION SDN BHD (COMPANY NO. 1067900-V) (SHAREHOLDER AGREEMENT)
Shareholder Approval	No

Announcement Details/Table Section	
<p>FIMACORP is pleased to announce that its wholly-owned subsidiary, FCB Plantation Holdings Sdn Bhd (Company No. 270659-U) ("FCBPH") had on 4 December 2015 entered into a Shareholders' Agreement with Ahmad Faizel bin Abdul Karim ("Faizel") and R.N.E Plantation Sdn Bhd (Company No. 1067900-V) ("R.N.E Plantation") (collectively referred to as "Parties"), with a view to regulate the Parties' equity participation in R.N.E Plantation, their relationship inter-se as shareholders of R.N.E Plantation and generally the conduct and affairs of R.N.E Plantation following the completion of the Share Sale Agreement dated 9 November 2015 between FCBPH and Faizel and Farah Deba Binti Omar for the acquisition of 140,000 ordinary shares of RM1.00 each in R.N.E Plantation, representing seventy percent (70%) of the total issued and paid up share capital of R.N.E Plantation for a total purchase consideration of RM4.2 million.</p> <p>Further details of the Shareholders' Agreement are set out in the attachment.</p> <p>This announcement is dated 4 December 2015.</p>	
Attachment	No File Name Size
	1 <a href="#">Shareholders Agreement.pdf</a> 205.6KB



**FIMA CORPORATION BERHAD**  
(Company No: 21185-P)

**SHAREHOLDERS' AGREEMENT BETWEEN FCB PLANTATION HOLDINGS SDN BHD (COMPANY NO. 270659-U), A WHOLLY-OWNED SUBSIDIARY OF FIMA CORPORATION BERHAD (COMPANY NO. 21185-P) ("FIMACORP" OR "COMPANY") AND AHMAD FAIZEL BIN ABDUL KARIM AND R.N.E PLANTATION SDN BHD (COMPANY NO. 1067900-V) ("SHAREHOLDER' AGREEMENT")**

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**1. INTRODUCTION**

FIMACORP wishes to announce that its wholly-owned subsidiary, FCB Plantation Holdings Sdn Bhd (Company No. 270659-U) ("FCBPH") had on 4 December 2015 entered into a Shareholders' Agreement with Ahmad Faizel bin Abdul Karim ("Faizel") and R.N.E Plantation Sdn Bhd (Company No. 1067900-V) ("R.N.E Plantation") (collectively referred to as "Parties"), with a view to regulate the Parties' equity participation in R.N.E Plantation, their relationship inter-se as shareholders of R.N.E Plantation and generally the conduct and affairs of R.N.E Plantation following the completion of the Share Sale Agreement dated 9 November 2015 between FCBPH and Faizel and Farah Deba Binti Omar for the acquisition of 140,000 ordinary shares of RM1.00 each in R.N.E Plantation, representing seventy percent (70%) of the total issued and paid up share capital of R.N.E Plantation for a total purchase consideration of RM4.2 million.

**2. BACKGROUND INFORMATION ON FCBPH, FAIZEL AND R.N.E PLANTATION**

FCBPH

FCBPH was incorporated on 20 July 1993 under the name Glitter Waves Sdn Bhd. On 2 December 1993, FCBPH changed its name to FCB Management Sdn Bhd before assuming its present name on 12 December 2008. FCBPH has an authorised share capital of RM50,000,000 divided into 50,000,000 ordinary shares of RM1.00 each, of which 10,000,000 ordinary shares have been issued and fully paid-up. Its principal activity is investment holding.

Faizel

Faizel aged 52, is a Malaysian citizen. He was appointed to the Board of R.N.E Plantation on 13 February 2014. He holds 60,000 ordinary shares of RM1.00 each representing 30% of the total and issued paid-up capital in R.N.E Plantation.

R.N.E Plantation

R.N.E Plantation was incorporated on 28 October 2013 as a private company limited by shares under the name Budi Efektif Sdn Bhd. It subsequently assumed its current name on 25 March 2014. The authorised share capital of R.N.E Plantation is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which 200,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

R.N.E Plantation has been granted lease over a parcel of land measuring approximately 2000 hectares / 4,940 acres, deemed suitable for oil palm cultivation, situated in Mukim Sungai Siput, Daerah Kuala Kangsar, Negeri Perak Darul Ridzuan ("the Land") for a term of 60 years with an option to renew for a further period of 30 years.

### **3. SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT**

The salient terms of the Shareholders' Agreement are, inter alia, as follows:-

- 3.1 Equity participation: FCBPH and Faizel's equity participation in R.N.E Plantation shall be premised on an 70:30 equity basis.
- 3.2 Financing requirements: Any loans, advances or financial assistance made or given by any Shareholder (either directly or indirectly) to R.N.E Plantation shall:
  - (a) be provided at such time and in such manner, including by direct payment of R.N.E Plantation's obligations to third parties, as may be deemed necessary by the Shareholder following a request made by R.N.E Plantation to the Shareholder in respect thereof;
  - (b) subject to applicable laws, bear interest against R.N.E Plantation based on Malayan Banking Berhad's prevailing base lending rate or the actual rate of the interest charged by the financial institutions on the funds acquired by the Shareholder for the benefit of R.N.E Plantation, whichever is higher, and shall accrue from the date of disbursement of the funds to R.N.E Plantation until the date on which such funds are fully and finally settled; and
  - (c) be due and payable on such terms as may be determined by the Shareholder extending the loan, advance or financial assistance to R.N.E Plantation.
- 3.3 Pre-emption right: Subject to paragraph 4.4 below, no Shareholder shall sell, assign, transfer, mortgage, charge, dispose of, encumber or otherwise deal with the whole or any part of the Shares unless with the prior written consent of the other Shareholders (whose consent shall not be unreasonably withheld) or otherwise in accordance with transfer procedures set out in the Shareholders' Agreement.
- 3.4 Deed of Accession by Transferee: Notwithstanding anything under this Agreement, any transfer of any Shares by a Shareholder shall be conditional upon the transferee (if not already bound by the Shareholders' Agreement) executing in such form as may be reasonably required by the other Shareholders a deed of ratification and accession under which the transferee shall agree to be bound by and shall be entitled to the benefit of the Shareholders' Agreement as if an original party.

### **4. RATIONALE & PROSPECTS**

R.N.E Plantation will act as the vehicle for the Parties to combine their respective resources and expertise and venture into the development, cultivation and management of the Land. Moreover, the Shareholders' Agreement is in line with FIMACORP Group's existing strategy to expand its presence in the oil palm plantation business given the favourable long-term prospects of the industry.

The long-term prospects of the oil palm industry are expected to be positive, driven by the expected increase in the demand for edible oils in tandem with global population growth; and the competitive advantage of palm oil compared to other edible oils in terms of yield and cost efficiency.

## **5. APPROVALS**

The Shareholders' Agreement is not subject to the approval of the shareholders of FIMACORP.

## **6. RISK FACTORS**

FIMACORP does not foresee any extraordinary or abnormal risk factors arising from its entry into the Shareholders' Agreement, save for the business/operating risks normally associated with the oil palm industry in which FIMACORP is already involved in.

As with other oil palm producers, FIMACORP would be subject to risks inherent to the plantation industry. These business risks may include, but not limited to, external risks such as fluctuations in CPO prices, changes in the world demand for edible oil and fats, threat of substitutes for palm oil products, weather conditions, outbreak of pests and crop diseases constraints in labour supply and increase in production costs. Although the Board and management of FIMACORP will continuously take appropriate measures to limit such risks, there can be no assurance that any changes to these factors will not have a material impact on the business and financial performance of FIMACORP.

## **7. INTERESTS OF MAJOR SHAREHOLDERS AND DIRECTORS**

### **7.1 Directors**

None of the directors of FIMACORP and/or persons connected with them has any interest, direct or indirect, in the Shareholders' Agreement.

### **7.2 Substantial Shareholders**

None of the substantial shareholders of FIMACORP and/or persons connected with them has any interest, direct or indirect, in the Shareholders' Agreement.

## **8. DIRECTORS' RECOMMENDATION**

The Directors, after careful deliberation, are of the view that the Shareholders' Agreement are in the best interest of the FIMACORP.

## **9. COMPLIANCE WITH AND DEPARTURE FROM THE GUIDELINES OF THE SECURITIES COMMISSION**

FIMACORP is not aware of any departure from the SC Guidelines in relation to the Shareholders' Agreement.

## **10. DOCUMENTS FOR INSPECTION**

Copies of the Shareholders' Agreement are available for inspection at FIMACORP's registered office during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this Announcement.

This announcement is dated 4 December 2015.