



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 54th Annual General Meeting of Fraser & Neave Holdings Berhad ("Company") will be held at Banyan, Casuarina & Dillenia, Sims Darty Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 21 January 2016 at 10:00 a.m. for the following purposes:

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 September 2015 together with the Reports of the Directors and Auditors thereon. *Refer to Note (1)*
2. To approve the payment of a final single tier dividend of 35.5 sen per share for the financial year ended 30 September 2015. *Resolution 1*
3. To re-elect Dato' Johan Tazrin bin Hamid Ngo who retires in accordance with Article 97 of the Company's Articles of Association, as a Director. *Resolution 2*

Note: Dato' Chin Kwai Young who retires by rotation in accordance with Article 97 of the Company's Articles of Association, has expressed his intention not to seek re-election.

4. To re-elect Mr. Lee Meng Tat who retires in accordance with Article 103 of the Company's Articles of Association, as a Director. *Resolution 3*
5. To pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965: *Resolution 4*

"THAT Y.A.M. Tengku Syed Badarudin Jamalullail who is retiring at the conclusion of the 54th Annual General Meeting of the Company pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next annual general meeting."

Resolution 5

"THAT Dato' Anwarudin bin Ahmad Osman who is retiring at the conclusion of the 54th Annual General Meeting of the Company pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next annual general meeting."

Resolution 6

"THAT Mr. Lee Kong Yip who is retiring at the conclusion of the 54th Annual General Meeting of the Company pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next annual general meeting."

Resolution 7

6. To approve Directors' fees of RM1,400,000 for the financial year ending 30 September 2016 payable monthly in arrears after each month of completed service of the Directors during the financial year. *Resolution 8*

7. To pass the following resolution for appointment of Messrs KPMG as auditors of the Company in place of the retiring auditors, Messrs Ernst & Young. *Resolution 9*

"THAT Messrs KPMG, having consented to act, be and are hereby appointed as auditors of the Company in place of the retiring auditors, Messrs Ernst & Young, to hold office until the conclusion of the next annual general meeting and **THAT** the Directors be and are hereby authorised to fix their remuneration."

Special Business

8. **ORDINARY RESOLUTION** *Resolution 10*

-PROPOSED RENEWAL OF SHARE BUY-BACK
"THAT subject always to the Companies Act, 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant authorities, the Board of Directors of the Company be and is hereby unconditionally and generally authorised, to the extent permitted by the law, to make purchases of ordinary shares of RM1.00 each ("F&N Shares") in the Company's issued and paid-up ordinary share capital from time to time through Bursa Securities, subject further to the following:

- (i) the maximum number of ordinary shares which may be purchased and held by the Company does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any point in time ("Proposed Share Buy-Back");
- (ii) the maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the Company's total retained profits and/or share premium account at the time of purchase of the Proposed Share Buy-Back;
- (iii) the approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting ("AGM") of the Company, following the passing of this resolution or the expiration of the period within which the next AGM is required by law to be held unless earlier revoked or varied by ordinary resolution passed by shareholders of the Company at a general meeting but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority; and
- (iv) upon completion of the purchase(s) of the F&N Shares or any part thereof by the Company, the Directors be and are hereby authorised to cancel all the F&N Shares so purchased, retain all the F&N Shares as treasury shares for future resale, retain part thereof as treasury shares and cancelling the balance or distribute all or part of the F&N Shares as dividends to shareholders, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of MMLR and any other relevant authority for the time being in force

AND THAT authority be and is hereby unconditionally and generally given to the Directors to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought back) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company, the MMLR and all other relevant governmental and/or regulatory authorities."

9. **ORDINARY RESOLUTION** *Resolution 11*
-PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT approval be and is hereby given for the Company and/or its subsidiaries ("F&N Group") to enter into any of the category of recurrent transactions of a revenue or trading nature falling within the types of transactions set out in Sections 2.4.1 and 2.4.2, Part B of the Statement/Circular to Shareholders dated 28 December 2015 with the related parties mentioned therein, provided that such transactions are necessary for the day-to-day operations and they are carried out in the ordinary course of business on normal commercial terms which are consistent with the F&N Group's normal business practices and policies, and on terms not more favourable to the related parties than those extended to the other customers of the F&N Group, and not to the detriment of the minority shareholders **AND THAT** such approval shall be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company ("AGM"), 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 AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

- (iii) revoked or varied by the Company in a general meeting,

whichever is the earlier **AND** that the Directors of the Company and each of them be authorised to do all such acts and things (including, without limitation, to execute all such documents) as they may consider necessary, expedient or in the interests of the Company to give effect to this resolution."

10. **ORDINARY RESOLUTION** *Resolution 12*
-RETENTION OF INDEPENDENT NON-EXECUTIVE CHAIRMAN

"THAT pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Y.A.M. Tengku Syed Badarudin Jamalullail be and is hereby retained as the Independent Non-Executive Chairman of the Company until the conclusion of the next annual general meeting."

11. **ORDINARY RESOLUTION** *Resolution 13*
-RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Dato' Anwarudin bin Ahmad Osman be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting."

12. To transact any other business which due notice shall have been given.

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Company's 54th Annual General Meeting, the proposed payment of a final single tier dividend of 35.5 sen per share for the financial year ended 30 September 2015 will be paid to shareholders on 4 February 2016. The entitlement date for the proposed dividend shall be on 27 January 2016.

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

- a) Shares transferred to the depositor's securities account before 4:00 p.m. on 27 January 2016 in respect of ordinary transfer; and
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

SOON WING CHONG
MAYEEN WONG MAY FUN
Company Secretaries

Kuala Lumpur, Malaysia
28 December 2015

Notes:

- (1) Item 1 of the agenda is intended for discussion only as under Section 169(1) of the Companies Act, 1965, the Audited Financial Statements do not require formal approval of shareholders. As such, this item will not be put forward for voting.
- (2) A member entitled to attend and vote at the above meeting may appoint a proxy or proxies (but not more than two) to attend and vote on his behalf and such proxy or proxies need not be a member or members of the Company.
- (3) Where there are two proxies appointed, the number of shares to be represented by each proxy must be stated.
- (4) In the case of a corporation, the form of proxy must be executed under seal or under the hand of its attorney duly authorised.
- (5) Where a member of the Company is an exempt authorised nominee which holds 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 authorised nominee may appoint in respect of each Omnibus Account it holds. Each appointment of proxy by an exempt authorised nominee shall be by a separate instrument of proxy which shall specify the proportion of shareholding to be represented by each proxy.
- (6) The instrument appointing a proxy or proxies must be deposited with the Company Secretaries at the registered office of the Company at Level 8, F&N Point, No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur not less than 48 hours before the meeting.

EXPLANATORY NOTES:

A. FOR ORDINARY BUSINESS

i) Re-Appointment of Directors

In line with Recommendation 3.1 of the Malaysian Code on Corporate Governance 2012, the Board (save for the interested directors) has assessed the independence of the Independent Directors including the Independent Directors who are due for re-appointment. The Board is of the opinion that the Independent Directors constantly provide independent and objective judgement in all Board and Board Committee deliberation.

ii) Appointment of Auditors

Notice of nomination pursuant to Section 172(1) of the Companies Act, 1965 in respect of the nomination of Messrs KPMG for appointment as auditors of the Company in place of the retiring auditors, Messrs Ernst & Young, has been received by the Company, a copy of which is marked as "Annexure A" and enclosed with the Annual Report.

B. FOR SPECIAL BUSINESS

i) Proposed Renewal of Share Buy-Back

Resolution 10, if passed, will provide the Company with the authority to buy-back its shares and will allow the Company a further option to utilise its financial resources more efficiently. Additionally, it is intended to stabilise the supply and demand as well as the price of the Company's shares. Please refer to Part A of the Statement/Circular to Shareholders dated 28 December 2015 for more details.

ii) Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 11, if passed, will enable the Company and/or its subsidiaries ("F&N Group") to enter into recurrent transactions with the related parties provided that such transactions are carried out in the ordinary course of business on normal commercial terms which are consistent with the F&N Group's normal business practices and policies and on terms not more favourable to the related parties than those extended to the other customers of the F&N Group, and not to the detriment of the minority shareholders. Please refer to Part B of the Statement/Circular to Shareholders dated 28 December 2015 for more details.

iii) Retention of Independent Non-Executive Chairman

The Board of Directors has via the Nominating Committee assessed the independence of Y.A.M. Tengku Syed Badarudin Jamalullail and is of the view that the retention of Tengku Syed as the Independent Non-Executive Chairman of the Company is in the best interest of the Company. The Board is mindful that Tengku Syed is also the Lead Independent Non-Executive Director of Fraser and Neave, Limited, the holding company of the Company but opines that Tengku Syed's directorships in both companies will not influence his independent judgement.

The Board recommends that Tengku Syed continues to act as the Independent Non-Executive Chairman of the Company on the following basis:

- a) Tengku Syed continues to be able to exercise independent and objective judgement and to act in the interest of the Company;
- b) Tengku Syed has detailed knowledge of the business of the Company and has proven commitment, experience and competency to effectively advise and oversee the management of the Company; and
- c) Tengku Syed has met the independence guidelines set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

iv) Retention of Independent Non-Executive Director

The Board of Directors has via the Nominating Committee assessed the independence of Dato' Anwarudin bin Ahmad Osman and is of the view that the retention of Dato' Anwarudin as an Independent Non-Executive Director of the Company is in the best interest of the Company. The Board recommends that Dato' Anwarudin continues to act as an Independent Non-Executive Director of the Company on the following basis:

- a) Dato' Anwarudin continues to be able to exercise independent and objective judgement and to act in the interest of the Company;
- b) Dato' Anwarudin has contributed sufficient time and efforts in his capacity as an Independent Non-Executive Director and has attended all relevant meetings for informed and balanced decision making; and
- c) Dato' Anwarudin has met the independence guidelines set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Members Entitled to Attend 54th Annual General Meeting

For the purpose of determining a member who shall be entitled to attend the 54th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 60(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 13 January 2016. Only a depositor whose name appears on the Record of Depositors as at 13 January 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Annual Report 2015

The Company issues to shareholders its Annual Report 2015 in CD-ROM. A full version of the Annual Report in printed form shall be provided to shareholders within four (4) market days from the date of receipt of the verbal or written request. Shareholders who wish to receive the full version of the Annual Report 2015 in printed form and who require assistance with viewing the CD-ROM, kindly contact Ms. Mayeen Wong May Fun or Mr. Soon Wing Chong at telephone number: 603-9235 2288. Alternatively, you may send the duly completed form to the Company's registered office at Level 8, F&N Point, No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, 55100 Kuala Lumpur, Malaysia or fax to 603-9222 7878. You may also send your request by email to mayeen.wong@fn.com.my or wingchong.soon@fn.com.my. The full version of the Annual Report 2015 can also be obtained from the Company's website at www.fn.com.my.