

NOTICE OF 47TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Seventh (47th) Annual General Meeting ("AGM") of **KUMPULAN FIMA BERHAD** ("KFima" and/or "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, 28 August 2019 at 3.00 p.m. for the transaction of the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2019 and the Directors' and Auditors' Reports thereon.

Please refer to Note A

2. To approve the payment of final dividend of 9.0 sen under the single-tier system in respect of the financial year ended 31 March 2019.

Resolution 1

3. To re-elect the following Directors who retire by rotation in accordance with Article 102 of the Company's Constitution and who, being eligible, offer themselves for re-election:-

(i) Dato' Roslan bin Hamir **Resolution 2**
(ii) Cik Rozilawati binti Haji Basir **Resolution 3**

4. To re-elect the following Directors who retire in accordance with Article 84 of the Company's Constitution and who, being eligible, offer themselves for re-election:-

(i) Dato' Idris bin Kechot **Resolution 4**
(ii) Datuk Anuar bin Ahmad **Resolution 5**

5. To approve the payment of Directors' fees for the Non-Executive Directors of the Company for the ensuing financial year.

Resolution 6

6. To approve the payment of Directors' fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 29 August 2019 until the conclusion of the next AGM of the Company.

Resolution 7

7. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors from 29 August 2019 until the conclusion of the next AGM of the Company.

Resolution 8

8. To appoint Messrs. Ernst & Young, who have given their consent to act, as Auditors of the Company in place of the retiring Auditors, Messrs. Hanafiah Raslan & Mohamad and to authorize the Directors to determine their remuneration.

Resolution 9

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 10**

"THAT pursuant to Paragraph 10.09 of Bursa Malaysia Securities Berhad ("Bursa") Main Market Listing Requirements ("Listing Requirements"), 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 2.4 Part A of the Company's Circular/Statement to Shareholders dated 29 July 2019 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:-

- 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
- 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
- revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier;

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 maybe required) as they may consider expedient or necessary to give effect to the proposed mandate."

10. **PROPOSED RENEWAL OF THE AUTHORITY FOR SHARES BUY-BACK** **Resolution 11**

"THAT subject to compliance with the Act, the Bursa Listing Requirements, 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 KFima ("KFima Shares") as may be determined by the Directors from time to time through Bursa upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

- the maximum aggregate number of KFima 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
- 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 KFima Shares so purchased at their discretion, in the following manner:-

- cancel the KFima Shares so purchased; or
- retain the KFima Shares so purchased as treasury shares which may be dealt with in accordance with Section 127(7) of the Act; or
- retain part of the KFima Shares so purchased as treasury shares and cancel the remainder of the KFima Shares,

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 and/or other relevant authority for the time being in force and that the authority to deal with the purchased KFima Shares shall continue to be valid until all the purchased KFima 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:-

- the conclusion of the next AGM of the Company, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

- the expiration of the period within which the next AGM of the Company is required by law to be held; or
- 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 Bursa Listing Requirements or any other relevant authorities;

AND FURTHER THAT the Board be and is hereby authorized 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(s) 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."

11. RETENTION OF INDEPENDENT DIRECTORS OF THE COMPANY

(i) "THAT approval be and is hereby given to Encik Azizan bin Mohd Noor who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company."

Resolution 12

(ii) "THAT approval be and is hereby given to Dato' Rosman bin Abdullah who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company."

Resolution 13

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 47th AGM to be held on 28 August 2019, a single-tier final dividend of 9.0 sen for the financial year ended 31 March 2019 will be paid on 7 October 2019 to Depositors whose names appear in the Record of Depositors on 18 September 2019.

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

- Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 18 September 2019 in respect of transfers; and
- Securities bought on Bursa on a cum entitlement basis according to the Rules of Bursa.

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (LS 0009071)

FADZIL BIN AZAHA (CA 20995)

Company Secretaries

Kuala Lumpur
29 July 2019

(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 30 May 2019, 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 7 October 2019 in accordance with the requirements under Section 132(2) and (3) of the Act.

(III) Resolutions 2 and 3

Article 102 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors, shall retire from office at least once in every three (3) years, but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

The Board endorsed that the Directors who retire in accordance with Article 102 of the Company's Constitution are eligible to stand for re-election.

The profiles of the retiring Directors are set out in Our Board of Directors section of the Company's Annual Report 2019.

(IV) Resolutions 4 and 5

Article 84 of the Constitution provides that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election.

Dato' Idris bin Kechot and Datuk Anuar bin Ahmad, who were appointed as Independent Non-Executive Directors of the Company on 3 May 2019, shall hold office until the conclusion of the Company's 47th AGM and shall then be eligible for re-election in accordance with Article 84 of the Company's Constitution.

(V) Resolutions 6, 7 and 8

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 47th AGM of the Company on the following payments to Directors in three (3) separate resolutions as below:-

- Resolution 6** on payment of Directors' fees for the ensuing financial year.
- Resolution 7** on payment of Directors' fees for the Non-Executive Directors ("NEDs") who sit on the Board of Directors of subsidiary companies from 29 August 2019 until the conclusion of the next AGM of the Company.
- Resolution 8** on payment of Directors' remuneration from 29 August 2019 until the conclusion of the next AGM of the Company.

Ordinary Resolutions 6, 7 and 8 comprises fees, allowances and other benefits payable to the Non-Executive Chairman, NEDs and Board Committees, including fees and allowances payable to them by subsidiaries are set out in the table:-

Company

	Fee (per annum)	Meeting Allowance (per meeting)	Benefits
Board			
Chairman	RM90,000	RM2,000	Medical coverage and other claimable benefits
Member	RM60,000	RM2,000	

	Fee (per annum)	Meeting Allowance (per meeting)	Benefits
Committees			
Chairman of Audit and Risk Committee	RM15,000	RM2,000	N/A
Member of Audit and Risk Committee	RM7,500	RM2,000	N/A
Member of Nomination and Remuneration Committee	N/A	RM2,000	N/A
Subsidiaries			
Subsidiary	Position Held	Fee Type	Amount
International Food Corporation Limited	Chairman	Director's fee - per annum	RM18,000
		Meeting allowance - per meeting	RM1,000
Fima Bulking Services Berhad	Chairman	Director's fee - per annum	RM18,000
		Meeting allowance - per meeting	RM1,000

There is no increase on Directors' fees for the financial year ended 31 March 2019. The Directors' fees were last increased in the financial year 2014.

In determining the estimated amount of remuneration payable for the NEDs, various factors, including the number of scheduled meetings for the Board, Board Committees and Board of subsidiaries as well as the number of NEDs involved in these meetings were considered.

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

(VI) Resolution 9

Messrs. Hanafiah Raslan & Mohamad ("HRM") has informed the Board that they would not be seeking re-appointment as the Company's Auditors at the Company's 47th AGM in view of the new regulation set by the Audit Oversight Board ("AOB") stipulating that an audit partner must only be attached to one audit firm at all times, unless otherwise exempted by the AOB. HRM further informed the Board that they along with their associate firm, Messrs. Ernst & Young have submitted an application for exemption to the AOB, however, AOB did not approve the Company to be an entity to be audited under HRM. As such, HRM is not allowed to continue to serve as Auditors of the Company.

In view of the above, the Board proposed the appointment of Messrs. Ernst & Young as Auditors of the Company in place of the retiring Auditors, HRM for the ensuing financial year and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors. The Company has received Messrs. Ernst & Young's written consent to act as Auditors of the Company pursuant to Section 264(5) of the Act.

(VII) EXPLANATORY NOTES ON SPECIAL BUSINESS

(a) Resolution 10

The proposed Ordinary Resolution 10, 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 11

The proposed Ordinary Resolution 11, 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 Shares Buy-Back Authority is set out in the Circular/Statement to Shareholders dated 29 July 2019 which is circulated together with the Company's Annual Report 2019 and is also available on 'Investors' section of the Company's website.

(c) Resolutions 12 and 13

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:-

Directors	Appointed on
(i) Encik Azizan bin Mohd Noor	2 April 2003
(ii) Dato' Rosman bin Abdullah	5 May 2004

The Nomination and Remuneration Committee and the Board, through the annual assessment carried out for the financial year ended 31 March 2019, 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 Bursa Listing Requirements, 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 Board and Committees 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 up to 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 (1) 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 23 August 2019 shall be eligible to attend the 47th AGM or appoint proxy(ies) to attend and/or vote on their behalf.
- The voting at the 47th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the results of the poll.