

**THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused the contents of this Circular/Statement pertaining to the Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed Renewal of Share Buy-Back Authority (as defined herein) as Bursa Securities has prescribed it as an exempt circular.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, makes no representation as to its 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/Statement.



**FIMA CORPORATION BERHAD**

Registration No. 197401004110 (21185-P)  
(Incorporated in Malaysia)

**PART A**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART B**

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The resolution in respect of the above proposals will be tabled at the Forty-Seventh (“47<sup>th</sup>”) Annual General Meeting (“AGM”) of Fima Corporation Berhad to be conducted on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting facilities available at <https://meeting.boardroomlimited.my>, with the Broadcast Venue at the Training Room, Kumpulan Fima Berhad, Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur on Tuesday, 23 August 2022 at 9.30 a.m. or at any adjournment thereof. Please follow the procedures provided in the Administrative Guide for the 47<sup>th</sup> AGM in order to register, participate, speak and vote remotely.

The Notice of the 47<sup>th</sup> AGM together with the Proxy Form are enclosed in the Company’s Annual Report 2022 and can be downloaded at the Company’s website at <http://www.fimacorp.com> under ‘Investors’ section. The Proxy Form shall be deposited with the Company’s Share Registrar at Boardroom Share Registrars Sdn Bhd, 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the 47<sup>th</sup> AGM. Alternatively, the shareholders may deposit the Proxy Form by electronic means through the Boardroom Smart Investor Online Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your Proxy Form electronically, also 48 hours before the meeting.

Last date and time for lodging the Proxy Form: Sunday, 21 August 2022 at 9.30 a.m.

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## DEFINITIONS

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The following definitions shall apply throughout this Circular/Statement unless the context requires otherwise:

Act	:	Companies Act 2016 as amended, supplemented or modified made from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board or Board of Directors	:	Board of Directors of Fima Corporation Berhad
Bursa Securities	:	Bursa Malaysia Securities Berhad [197601004668 (30632-P)]
Circular	:	This circular to the shareholders of the Company dated 28 July 2022
CMSA	:	Capital Market and Services Act 2007, including any amendments made from time to time and any re-enactment thereof
Code	:	Malaysian Code on Take-Overs and Mergers 2016, including any amendments that may be made from time to time
Director(s)	:	Has the meaning given in section 2(1) of the CMSA and includes in the case of any issuer of structured warrant or a listed issuer which is collective investment scheme, a director of the issuer of the structured warrants or a director of a management company of the collective investment scheme respectively. The director(s) shall also include any person who is and was within the preceding 6 months of the date on which the terms of transaction were agreed upon a director or chief executive of the listed issuer, its subsidiary or holding company or in relation to Special Purpose Acquisition Company (SPAC), a member of the SPAC's management team
EPS	:	Earnings per share
FimaCorp or Company	:	Fima Corporation Berhad [197401004110 (21185-P)]
FimaCorp Group or Group	:	Collectively, FimaCorp and its subsidiaries
FFB	:	Fresh fruit bunches
Listed Issuer	:	Means any one or more, as the context may require, of the following: (a) a listed corporation, including a SPAC; (b) a listed collective investment scheme; or (c) an issuer of any other listed securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
LPD	:	20 June 2022, being the latest practicable date prior to the printing of this Circular/Statement

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## DEFINITIONS

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Major Shareholder(s)	:	<p>A person who has an interest or interests in one or more of voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amount of those share, is:</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company</p> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in section 8 of the Act. The major shareholder shall also include any person who is and was within the preceding 6 months of the date on which the terms of transaction were agreed upon, a major shareholder of the listed issuer as defined under Paragraph 1.01 of the Listing Requirements or any other company which its subsidiary is or holding company</p>
Market Day(s)	:	<p>A day on which the stock market of Bursa Securities is open for the trading of securities</p>
NA	:	<p>Net assets</p>
Person(s) Connected	:	<p>Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements</p>
Proposed Renewal of Share Buy-Back Authority	:	<p>Proposed renewal of authority for the Company to purchase and/or to hold up to ten percent (10%) of the Company’s total number of issued shares at any given point of time</p>
Proposed Share Buy-Back	:	<p>Proposed purchase of up to ten percent (10%) of its issued and paid-up share capital pursuant to the Proposed Renewal of Share Buy-Back Authority</p>
Proposed Renewal of Shareholders’ Mandate	:	<p>Proposed renewal of the existing shareholders’ mandate for the FimaCorp Group to enter into RRPT of revenue or trading nature</p>
PTPEL	:	<p>PT Pohon Emas Lestari, a limited liability company organised and existing under the laws of Republic of Indonesia</p>
PTNJL	:	<p>PT Nunukan Jaya Lestari, a limited liability company organised and existing under the laws of Republic of Indonesia, which is a subsidiary of the Company</p>
Purchased Shares	:	<p>Shares to be purchased or acquired by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority</p>
Related Party(ies)	:	<p>A Director, Major Shareholder or Person Connected with such Director or Major Shareholder</p>

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## DEFINITIONS

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RRPT	:	Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations and in the ordinary course of business
RM and sen	:	Ringgit Malaysia and sen respectively
SC	:	Securities Commission
Share(s)	:	Ordinary share(s) in the Company
Substantial Shareholder	:	A person who has an interest or interests in one or more voting Shares in the Company and the number or aggregate number of those shares, is not less than 5% of the total number of all the voting Shares in the Company
Validity Period	:	Proposed Renewal of Shareholders' Mandate validity period from 47 <sup>th</sup> AGM to 48 <sup>th</sup> AGM

**Words denoting the singular shall include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.**

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**FIMA CORPORATION BERHAD**  
 Registration No. 197401004110 (21185-P)  
 (Incorporated in Malaysia)

**Registered Office**  
 Suite 4.1, Level 4  
 Block C, Plaza Damansara  
 No. 45, Jalan Medan Setia 1  
 Bukit Damansara  
 50490 Kuala Lumpur

**28 July 2022**

## **Board of Directors**

Datuk Bazlan bin Osman (*Chairman/Independent Non-Executive Director*)  
 Dato' Roslan bin Hamir (*Managing Director/Non-Independent Executive Director*)  
 Rosely bin Kusip (*Senior Independent Non-Executive Director*)  
 Rezal Zain bin Abdul Rashid (*Non-Independent Non-Executive Director*)  
 Dr. Roshayati binti Basir (*Non-Independent Non-Executive Director*)  
 Nik Feizal Haidi bin Hanafi (*Independent Non-Executive Director*)

## **To: The Shareholders of Fima Corporation Berhad**

Dear Sir/Madam,

## **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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### **1. INTRODUCTION**

The Company had at its 46<sup>th</sup> AGM of the Company held on 21 September 2021 obtained a mandate from its shareholders to enter into RRPT with the Related Party. The mandate granted will lapse at the conclusion of the forthcoming 47<sup>th</sup> AGM.

On 27 June 2022, the Company announced to Bursa Securities that the Board proposes to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate in accordance with Paragraph 10.09 of the Listing Requirements.

The purpose of this Circular is to provide you with information on the Proposed Renewal of Shareholders' Mandate together with your Directors' recommendation and to seek your approval for the resolution to be tabled at the forthcoming 47<sup>th</sup> AGM. The Notice of the 47<sup>th</sup> AGM, Administrative Guide and Proxy Form are enclosed together with the Company's Annual Report 2022 and can be downloaded at the Company's website at <http://www.fimacorp.com> under 'Investors' section.

**SHAREHOLDERS OF FIMACORP ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING 47<sup>TH</sup> AGM.**

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

### 2.1 Shareholders' Mandate

Under Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of RRPT subject to, *inter-alia*, the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (iii) the circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities;
- (iv) in a meeting to obtain shareholders' mandate, the relevant Related Party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (v) the Company must immediately announce to Bursa Securities when the actual value of the RRPT entered into by FimaCorp Group exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in the Company's announcement.

Accordingly, the Board is seeking shareholders' approval for the Proposed Renewal of Shareholders' Mandate from the date of the forthcoming 47<sup>th</sup> AGM to the next AGM. The RRPT is conducted in the ordinary course of business with the Related Party and are on normal commercial terms which are no more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The RRPT will also be subject to the review procedures set out in section 2.8 of this Circular.

### 2.2 Validity Period of the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved, shall take effect from the date of the forthcoming 47<sup>th</sup> AGM, and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following this 47<sup>th</sup> AGM, at which time the mandate will lapse, unless by an ordinary resolution passed at general meeting, the mandate is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever is earlier.

Thereafter, approval from shareholders will be sought for the renewal of the Proposed Shareholders' Mandate at each subsequent AGM if necessary.



## 2.3 Disclosure in the Annual Report

Disclosure will be made in the Annual Report of the Company of the aggregate value of RRPT conducted pursuant to the Proposed Renewal of Shareholders' Mandate with a breakdown of the aggregate value of the RRPT made during the financial year; based on the type of the RRPT and the name of the Related Party involved in each type of the RRPT made and their relationship with the Company.

## 2.4 Principal Activities of the Company

The principal activities of the Company are those of property management, oil palm plantation and investment holding. The principal activities of FimaCorp Group are production of security and confidential documents, oil palm production and processing, and printing of bank notes. Details of FimaCorp's subsidiary which is involved in the RRPT and its principal activities are set out in the notes of section 2.5 of this Circular.

## 2.5 Nature of the RRPT

The nature of the RRPT for which the mandate of the shareholders are sought, shall include those described below:

Name of Subsidiary	Related Party	Nature of RRPT	Interested Major Shareholder and Director of Subsidiary	Estimated Annual Value Disclosed in the Preceding Year's Circular (RM'000)	Actual Value of Transactions from date of last AGM on 21 September 2021 to the LPD (RM'000)	Estimated Value of Transactions during the Validity Period (RM'000)
PTNJL <sup>(2)</sup>	PTPEL <sup>(3)</sup>	Purchase of FFB  Buyer: PTNJL Seller: PTPEL	Muhammad Ramli <sup>(4)</sup>  Asmi Andi Yakin <sup>(5)</sup>	11,000	7,635	11,000 <sup>(1)</sup>

Notes:

- (1) Basis in arriving at the estimated value (may vary and subject to change) is stated in the table below:

Nature of RRPT	Estimated RM Value of Transactions During Validity Period (RM'000)
Purchase of FFB  Buyer: PTNJL Seller: PTPEL	11,000  (As per PTNJL's projection for the financial year 2022/2023)

- (2) PTNJL's principal activities are in the oil palm production and processing. FimaCorp effectively owns 80% of PTNJL;  
(3) PTPEL's principal activity is oil palm production;  
(4) Muhammad Ramli is a Director of PTNJL and has 5% direct shareholding in PTNJL. He is also a Director of PTPEL and has 99% direct shareholding in PTPEL; and  
(5) Asmi Andi Yakin is a member of the Board of Commissioner of PTNJL and has 15% direct shareholding in PTNJL. She is also a Director of PTPEL.

The RRPT will be made at arm's length, on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and are not detrimental to FimaCorp's minority shareholders.

## **2.6 Amount Due and Owing by the Related Parties**

There is no total outstanding amount due under the mandated RRPT which have exceeded the credit term as at the end of the financial year ended 31 March 2022. Hence, there was no late payment charges imposed on or by the Related Party.

## **2.7 Rationale and Benefits**

Some of the rationale and benefits to be derived from the Proposed Renewal of Shareholders' Mandate of RRPT's are:

- (i) flexibility and choice of parties to enter into such transactions, whether with Related Parties or Non-Related Parties;
- (ii) facilitate transactions with Related Party which are in the ordinary course of business of FimaCorp Group undertaken at arm's length basis, normal commercial terms and on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company;
- (iii) facilitate transactions with Related Party in an expeditious manner to meet business needs for the supply and/or provision of FFB which are necessary for its day-to-day operations, particularly business needs which are time sensitive in nature; and
- (iv) facilitate FimaCorp Group to carry out RRPT necessary for the Group's day-to-day operations on a more efficient and timely basis, and eliminate the need to make frequent announcements to Bursa Securities or convene separate general meetings to seek shareholders' approval as and when such RRPT arise. This will substantially reduce the associated expenses, improve administrative efficiency and allow the Group to channel such resources towards attaining other corporate objectives and business opportunities available to the Group.

## **2.8 Review Procedures for the RRPT**

In ensuring that the RRPT are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies and on transaction prices, which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders, the Group adheres to the following procedures:

- (i) the Related Party will be advised that the RRPT are subject to the annual shareholders' mandate and will also be advised of the review and disclosure policies;
- (ii) the Group will ensure that the RRPT are only entered into after taking into account the pricing, quality and level of service. The transaction prices, terms and conditions shall be determined by market forces, under similar commercial terms for transactions with third parties;
- (iii) the RRPT shall be reviewed by the Company's internal auditors and presented to the Audit and Risk Committee and the Board on a quarterly basis. The Audit and Risk Committee will also review the internal audit reports pertaining to the RRPT to ascertain that the guidelines and procedures to monitor the RRPT have been complied with;

- (iv) further, where any Director or Persons Connected has an interest (direct or indirect) in any related party transactions, such Director (or his alternate) shall abstain from voting on the matter. Where any member of the Audit and Risk Committee is interested in any transaction, the said member shall abstain from deliberation and voting on the particular resolution in approving the transaction; and
- (v) the Company will also maintain a record of all RRPT carried out pursuant to the Proposed Renewal of Shareholders' Mandate and will be made available by the Management to the external auditors, internal auditors and the Audit and Risk Committee for their review.

## **2.9 Approval Thresholds**

There are no specific thresholds for approvals of RRPT within the Group. However, all RRPT are subject to the approval of the Managing Director upon recommendation made by senior management, subject to the provisions in the Listing Requirements and/or the Act, where necessary. Where any Director has interest direct and/or indirect in a transaction, the said Director shall abstain from deliberation and voting on the particular resolution in approving the transaction.

## **2.10 Statement by Audit and Risk Committee**

The Audit and Risk Committee is of the view that the procedures in section 2.8 are sufficient to ensure that the RRPT will be transacted on an arm's length basis, on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.

In addition, the Audit and Risk Committee is also of the view that the Company has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner and the said procedures and processes are reviewed on quarterly basis or whenever the need arises.

## **2.11 Interest of Directors and Major Shareholders**

Save as disclosed below, none of the Directors and Major Shareholders of FimaCorp or Persons Connected with them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

Muhammad Ramli is a Director of PTNJL and owns 5% direct shareholding in PTNJL. He is also a Director of the Related Party, PTPEL and has 99% direct shareholding in PTPEL. Meanwhile, Asmi Andi Yakin sits on the Board of Commissioner of PTNJL and owns 15% direct shareholding in PTNJL. She is also a Director of the Related Party, PTPEL. Muhammad Ramli and Asmi Andi Yakin have no direct or indirect shareholdings in FimaCorp. Both of them, where applicable, have abstained and will continue to abstain from deliberating and voting on the ordinary resolution in respect of the Proposed Renewal of Shareholders' Mandate at the 47<sup>th</sup> AGM in respect of their direct and indirect shareholdings, if any.

## **2.12 Determining Transacted Price**

The transacted price with the Related Party is based on the monthly FFB price released by "Dinas Perkebunan Provinsi Kalimantan Utara". At least two (2) other contemporaneous transactions with unrelated third parties for similar products and/or quantities are used as comparison to determine whether the price and terms offered to the Related Party, as the case may be, are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar products and/or quantities and to ensure that the RRPT are not detrimental to FimaCorp Group.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, prices are determined based on market knowledge and on normal commercial terms in accordance with FimaCorp Group policies, which require (among others) that transactions with Related Party are undertaken on an arm's length basis, on terms not more favourable to the Related Party than those generally available to the public, are carried out on normal commercial terms and are not detrimental to FimaCorp minority shareholders.

### **3. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate is not expected:

- (i) to have any effect on the FimaCorp's share capital and shareholding of its substantial shareholders; and
- (ii) to have any material effect on net assets or earnings for the financial year ending 31 March 2023.

### **4. APPROVALS REQUIRED**

The Proposed Renewal of Shareholders' Mandate is subject to approval being obtained from the shareholders of FimaCorp at the forthcoming 47<sup>th</sup> AGM.

### **5. DIRECTORS' RECOMMENDATION**

Having considered all aspects for the Proposed Renewal of Shareholders' Mandate, the Board is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 47<sup>th</sup> AGM.

### **6. SPECIAL BUSINESS AT AGM**

The 47<sup>th</sup> AGM, the notice of which is set out in the Company's Annual Report 2022, will be conducted on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities available at <https://meeting.boardroomlimited.my>, with the Broadcast Venue at the Training Room, Kumpulan Fima Berhad, Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur on Tuesday, 23 August 2022 at 9.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

You are entitled to participate and vote at the 47<sup>th</sup> AGM via RPEV facilities or appoint proxy(ies) to participate in your place. In such event, you are required to complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible so as to reach our Share Registrar's office at Boardroom Share Registrars Sdn Bhd, 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the 47<sup>th</sup> AGM. Alternatively, the shareholders may deposit the Proxy Form by electronic means through the Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> to login and deposit your Proxy Form electronically, also 48 hours before the meeting.

**7. FURTHER INFORMATION**

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

Yours faithfully,  
For and on behalf of the Board of  
**FIMA CORPORATION BERHAD**

**DATUK BAZLAN BIN OSMAN**  
Chairman

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**FIMA CORPORATION BERHAD**

Registration No. 197401004110 (21185-P)  
(Incorporated in Malaysia)

## **STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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### **1. INTRODUCTION**

At the 46<sup>th</sup> AGM of the Company held on 21 September 2021, shareholders had approved the Board to purchase and/or hold its own Shares of up to ten percent (10%) of the total number of issued shares of the Company. The approval obtained by the Board shall continue to be in full force until the conclusion of the forthcoming 47<sup>th</sup> AGM unless authority for its renewal is obtained from the shareholders of FimaCorp at the 47<sup>th</sup> AGM.

Accordingly, on 27 June 2022, the Company announced to Bursa Securities its intention to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 47<sup>th</sup> AGM of the Company.

The purpose of this Statement is to provide you with information on the Proposed Renewal of Share Buy-Back Authority together with your Directors' recommendation and to seek your approval for the resolution to be tabled at the forthcoming 47<sup>th</sup> AGM. The Notice and the Proxy Form are enclosed in the Company's Annual Report 2022.

**SHAREHOLDERS OF FIMACORP ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING 47<sup>TH</sup> AGM.**

### **2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Board proposes to seek the approval from the shareholders of the Company for the renewal of authority to purchase/or hold its own Shares of up to maximum of 10% of the total number of issued shares, subject to compliance with section 127 of the Act, the Listing Requirements and any prevailing laws, guidelines, orders, rules and regulations issued by the relevant authority at the time of purchase.

The authority from shareholders, if renewed, shall be effective immediately upon the passing of the ordinary resolution relating to the Proposed Renewal of Share Buy-Back Authority at the forthcoming 47<sup>th</sup> AGM and shall be valid until:

- (a) the conclusion of the next AGM of FimaCorp following the general meeting in which the authorisation is obtained, 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
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or

- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

The approval of the shareholders on the Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its own shares. However, it will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned time period.

## **2.1 Quantum**

The maximum aggregate number of Shares, which may be purchased by the Company, shall not exceed 10% of the issued shares at any point in time. The actual number of Shares to be purchased will depend on, among others, market conditions and sentiments of Bursa Securities as well as the retained earnings and financial resources available to the Company as at the point of purchase.

As at LPD, the Company has issued 245,324,330 Shares. Hence, the maximum number of FimaCorp Shares that can be purchased and/or held by the Company pursuant to the Proposed Share Buy-Back is 24,532,433 FimaCorp Shares, representing 10% of the issued shares of the Company.

## **2.2 Funding**

The Proposed Share Buy-Back pursuant to the Proposed Renewal of Share Buy-Back Authority may be funded through internally generated funds and/or external bank borrowings and the amount allocated for the Proposed Share Buy-Back will not exceed the aggregate amount of the Company's retained earnings. All Purchased Shares may be cancelled or retained as treasury shares or a combination of both. Treasury shares may be distributed as share dividends, resold on Bursa Securities and/or cancelled.

The actual amount of funds to be utilised for the Proposed Share Buy-Back will only be determined later depending on the actual number of Shares to be purchased, the availability of funds as at the point of purchase and other relevant cost factors.

The Proposed Share Buy-Back, if funded via internally generated funds, is not expected to have a material impact on the Company's financial position. In the event the Proposed Share Buy-Back is funded through external bank borrowings, the Board will ensure that the Company has sufficient funds to repay such borrowings and that the repayment thereof would not have any material effect on the Company's cash flow position. In addition, the Board will also ensure that the Company satisfies the solvency test as stated in section 112(2) of the Act before implementing the Proposed Renewal of Share Buy-Back Authority. As at 31 March 2022, the Company's audited retained profits stood at RM197,879,000.

## **2.3 Pricing**

Pursuant to the Listing Requirements, the Company may only purchase its own shares at a price which is not more than 15% above the weighted average market price ("WAMP") of FimaCorp Shares for the past 5 Market Days immediately preceding the date of the purchase(s) and the Company may only resell the purchased FimaCorp Shares held as treasury shares on the Bursa Securities at:

- (i) a price which is not less than the WAMP of FimaCorp Shares for the 5 Market Days immediately before the date of the resale or transfer; or
- (ii) a discounted price of not more than 5% to the WAMP of the FimaCorp Shares for the 5 Market Days immediately before the date of the resale or transfer provided that:
  - (a) the resale or transfer takes place not earlier than 30 days from the date of purchase; and

- (b) the resale or transfer price is not less than the cost of purchase of FimaCorp Shares being resold or transferred.

FimaCorp will make the relevant announcement in the event of each purchase or resale of such FimaCorp Shares.

## **2.4 Treatment of Purchased Shares**

In accordance with section 127(4) of the Act, the Board may deal with the Purchased Shares in the following manner:

- (a) cancel the Shares so purchased; or
- (b) retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or resell through the stock market of Bursa Securities in accordance with the relevant rules of Bursa Securities; or
- (c) retain part of the Purchased Shares as treasury shares and cancel the remainder.

Accordingly, based on section 127(7) of the Act, where such Purchased Shares are held as treasury shares, the Directors may, at their discretion:

- (a) distribute the Shares as dividends to the shareholders, such dividends to be known as “share dividends”;
- (b) resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer the Shares or any of the Shares for the purposes of or under an employees’ share scheme;
- (d) transfer the Shares or any of the Shares as purchase consideration;
- (e) cancel the Shares or any of the Shares; or
- (f) sell, transfer or otherwise use the Shares for such other purposes as the Minister may by order prescribe.

The actual number of FimaCorp Shares to be purchased, the total amount of funds involved for each purchase and the timing of each purchase will depend on the market conditions and sentiments of the stock market and the financial resources available to the Company.

As at the date of this Statement, the Board has yet to make a decision with regard to the treatment of the Purchased Shares and will take into consideration the effect of such treatment to FimaCorp Group in arriving at its decision. In addition, an immediate announcement will be made to Bursa Securities upon each purchase, cancellation and/or resell of the Purchased Shares.

## **3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back has the following potential benefits for the Company and its shareholders:

- (a) the Company may be able to stabilise the supply and demand of FimaCorp Shares traded on the Bursa Securities and thereby supports its fundamental value;
- (b) if FimaCorp Shares bought back by the Company are cancelled, shareholders are likely to enjoy an increase in the value of their investment in the Company as the net earnings per share of FimaCorp will increase;



- (c) if the FimaCorp Shares bought back are kept as treasury shares, it will give the Board an option to sell the FimaCorp Shares so purchased at a higher price and therefore make an exceptional gain for the Company; and
- (d) FimaCorp Shares so purchased may be distributed to shareholders as dividends and serve as reward to the shareholders of the Company.

The Proposed Share Buy-Back will, however, utilise the financial resources of FimaCorp and may need to be balanced against investment opportunities and other shareholders' value proposals. The Board in exercising any decision on the Proposed Share Buy-Back will be mindful of the interest of the Company and its shareholders.

#### **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The potential advantages of the Proposed Share Buy-Back are outlined in section 3 of Part B of this Statement.

The potential disadvantages of the Proposed Share Buy-Back, if implemented, are as follows:

- (a) the Proposed Share Buy-Back will reduce the financial resources of the Company and might result in the Group foregoing other alternative investment opportunities which may emerge in the future; and
- (b) as the Proposed Share Buy-Back is subject to the retained profits of the Company, it may result in the reduction of financial resources available for distribution as dividends or bonus issues to the shareholders of the Company in the immediate future.

The Board is mindful of the interests of the Company and that of its shareholders in undertaking the Proposed Share Buy-Back. The Proposed Share Buy-Back is not expected to cause any potential material disadvantage to the Company and its shareholders as any share buy-back exercise shall be undertaken after an in-depth consideration of the financial resources and resultant impacts on the Group.

#### **5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK**

The financial effects of the Proposed Share Buy-Back are as follows:

##### **5.1 Share Capital**

The Proposed Share Buy-Back is not expected to have any effect on the share capital of the Company if the Purchased Shares are retained as treasury shares. Nevertheless, certain rights attached to the treasury shares in relation to voting, dividends and participation in other distributions or otherwise will be suspended. The Act prohibits such treasury shares to be taken in calculating the number or percentage of shares in the Company for any purpose whatsoever on substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for a meeting and results of a vote on a resolution at a meeting.

However, in the event that the Proposed Share Buy-Back is carried out in full and all the shares acquired are cancelled, the share capital of the Company will be reduced as follows:

	<u>No. of Shares</u>
Share capital as at LPD (including the existing treasury shares)	245,324,330
Less: Cancellation of FimaCorp Shares bought back (up to 10% of the existing share capital)	(24,532,433)
<b>Share capital upon completion of the Proposed Share Buy-Back</b>	<b>220,791,897</b>

## 5.2 Net Assets

The effect of the Proposed Renewal of Share Buy-Back Authority on the NA per FimaCorp Share will depend on the purchase price of FimaCorp Shares, the effective funding cost to FimaCorp to finance the purchase of the FimaCorp Shares and/or any loss of interest income to the Company and whether the FimaCorp Shares are cancelled, retained as treasury shares or resold on Bursa Securities.

If all the FimaCorp Shares purchased are cancelled and the purchase price exceeds the NA per FimaCorp Share at the time of purchase, the Proposed Share Buy-Back will reduce the NA per FimaCorp Share. Conversely, the NA per FimaCorp Share will increase if purchase price is less than the NA per FimaCorp Share at the time of purchase.

If the treasury shares are resold on Bursa Securities, the NA per FimaCorp Share will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA per FimaCorp Share will increase by the cost of the treasury shares.

## 5.3 Working Capital

The Proposed Share Buy-Back will reduce the working capital of the FimaCorp Group, the quantum of which would depend on the purchase price of the FimaCorp Shares, the number of FimaCorp Shares purchased and the effective funding cost and/or loss of interest income to the Company.

However, the financial resources of the FimaCorp Group may be restored upon the re-sale of the Purchased Shares which are held as treasury shares.

## 5.4 Earnings

Whether the FimaCorp Shares to be purchased under the Proposed Share Buy-Back are maintained as treasury shares or cancelled, it will result in a lower number of FimaCorp Shares being used for the purpose of computing the EPS of the Company.

The extent of the effects of the Proposed Share Buy-Back on the EPS of the FimaCorp Group will depend on the actual number of FimaCorp Shares bought back, the purchase prices of the FimaCorp Shares and the effective cost of funding or any loss in interest income to the Group. Assuming that the FimaCorp Shares purchased are retained as treasury shares and resold, the effects on the earnings of the FimaCorp Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

If the FimaCorp Shares so purchased are cancelled, the Proposed Share Buy-Back will increase the EPS of the FimaCorp Group provided the income foregone and/or interest expense incurred on the FimaCorp Shares purchased is less than the EPS before the share buy-back.

## 6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Assuming the Proposed Share Buy-Back is carried out in full by the Company, the proforma effects of the Proposed Share Buy-Back on FimaCorp's substantial shareholders and Directors as at LPD are as follows:

Name(s)	Number of Shares Held as at LPD				Number of Shares Held After Proposed Renewal of Share Buy-Back Authority			
	Direct	*%	Indirect	*%	Direct	*%	Indirect	*%
<b>Directors</b>								
<i>Datuk Bazlan bin Osman</i>	10,000	-	-	-	10,000	-	-	-
<i>Dato' Roslan bin Hamir</i>	-	-	601,800 <sup>(1)</sup>	0.25	-	-	601,800 <sup>(1)</sup>	0.27
<i>Rezal Zain bin Abdul Rashid</i>	14,000	-	-	-	14,000	-	-	-
<i>Dr. Roshayati binti Basir</i>	175,600	0.07	150,383,658 <sup>(3)</sup>	63.35	175,600	0.08	150,383,658 <sup>(3)</sup>	68.11
<b>Substantial Shareholder</b>								
<i>Fima Metal Box Holdings Sdn Bhd</i>	147,245,358	62.03	-	-	147,245,358	66.69	-	-
<b>Persons Connected</b>								
<i>Kumpulan Fima Berhad</i>	-	-	147,245,358 <sup>(2)</sup>	62.03	-	-	147,245,358 <sup>(2)</sup>	66.69
<i>Puan Sri Datin Hamidah binti Abdul Rahman</i>	1,816,800	0.77	148,742,458 <sup>(4)</sup>	62.66	1,816,800	0.82	148,742,458 <sup>(4)</sup>	67.37
<i>Datin Rozilawati binti Haji Basir</i>	-	-	150,559,258 <sup>(5)</sup>	63.43	-	-	150,559,258 <sup>(5)</sup>	68.19
<i>Rozana Zeti binti Basir</i>	-	-	150,559,258 <sup>(6)</sup>	63.43	-	-	150,559,258 <sup>(6)</sup>	68.19

Notes:

\* Excluding a total of 7,949,300 shares bought back by the Company and retained as treasury shares as at LPD.

- Dato' Roslan bin Hamir's indirect shareholdings in the Company is held under Maybank Nominees (Tempatan) Sdn Bhd.*
- Deemed interested by virtue of its indirect interest in Fima Metal Box Holdings Sdn Bhd ("Fima Metal Box"), a substantial shareholder of the Company.*
- Deemed interested by virtue that:*
  - Fima Metal Box direct shareholdings in the Company. Fima Metal Box is a major shareholder of the Company and is a wholly-owned subsidiary of Kumpulan Fima Berhad ("KFima").*
  - Puan Sri Datin Hamidah binti Abdul Rahman and Datin Rozilawati binti Haji Basir's direct and indirect shareholdings in the Company, respectively.*
- Deemed interested by virtue that:*
  - Fima Metal Box direct shareholdings in the Company. Fima Metal Box is a major shareholder of the Company and is a wholly-owned subsidiary of KFima.*
  - Dr. Roshayati binti Basir and Datin Rozilawati binti Haji Basir's direct and indirect shareholdings in the Company, respectively.*
- Deemed interested by virtue that:*
  - Datin Rozilawati binti Haji Basir's indirect shareholding in the Company is held under Maybank Nominees (Tempatan) Sdn Bhd.*
  - Fima Metal Box direct shareholdings in the Company. Fima Metal Box is a major shareholder of the Company and is a wholly-owned subsidiary of KFima.*
  - Puan Sri Datin Hamidah binti Abdul Rahman and Dr. Roshayati binti Basir's direct shareholdings in the Company.*
- Deemed interested by virtue that:*
  - Fima Metal Box direct shareholdings in the Company. Fima Metal Box is a major shareholder of the Company and is a wholly-owned subsidiary of KFima.*
  - Puan Sri Datin Hamidah binti Abdul Rahman, Dr. Roshayati binti Basir and Datin Rozilawati binti Haji Basir's direct and indirect shareholdings in the Company.*

## 7. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company was 37.64%. The public shareholding spread is expected to reduce to 32.95% assuming the Proposed Share Buy-Back is implemented in full and all the FimaCorp Shares so purchased are cancelled.

The Board is mindful of the requirement that any purchase of FimaCorp Shares by the Company must not result in a public shareholding spread of less than 25% of its total listed shares.

## 8. IMPLICATIONS ON THE CODE

As it is not intended for the Proposed Renewal of Share Buy-Back Authority to trigger the obligation to undertake a mandatory offer under the Code by any of the Company's substantial shareholders and/or persons acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled and/or distributed pursuant to the Proposed Share Buy-Back would not result in the triggering of any mandatory offer obligation on the part of the Company's substantial shareholders and/or persons acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of FimaCorp Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

## 9. PURCHASES MADE IN THE PREVIOUS TWELVE (12) MONTHS

During the financial year ended 31 March 2022, the Company purchased 7,943,900 of FimaCorp Shares, all of which are retained as treasury shares.

Further details on the FimaCorp Shares purchased by the Company are set out in Note 28 to the Financial Statements contained in the Annual Report 2022.

## 10. SHARE PRICES

The monthly highest and lowest prices of the Shares traded on Bursa Securities for the preceding twelve (12) months are as follows:

	High (RM)	Low (RM)
<u>2021</u>		
April	1.86	1.77
May	1.88	1.77
June	1.93	1.80
July	2.11	1.93
August	2.03	1.85
September	1.95	1.85
October	1.95	1.85
November	1.91	1.85
December	1.90	1.85
<u>2022</u>		
January	1.89	1.80
February	2.06	1.80
March	2.05	1.90
April	2.12	1.99
May	2.23	2.04
June	2.34	2.04

(Source: Investing.com)

**11. APPROVALS REQUIRED**

The Proposed Renewal of Share Buy-Back Authority is conditional upon the approval of the shareholders of FimaCorp at the forthcoming 47<sup>th</sup> AGM.

**12. INTEREST OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors, major shareholders and/or persons connected to the Directors has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or resale of the treasury shares, if any.

**13. DIRECTORS' RECOMMENDATION**

Having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, the Board is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company and shareholders. Accordingly, the Board recommends that you vote in favour of the ordinary resolution in relation to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 47<sup>th</sup> AGM.

**14. ANNUAL GENERAL MEETING**

The 47<sup>th</sup> AGM, the notice of which is set out in the Company's Annual Report 2022 will be conducted on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities available at <https://meeting.boardroomlimited.my>, with the Broadcast Venue at the Training Room, Kumpulan Fima Berhad, Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur on Tuesday, 23 August 2022 at 9.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Share Buy-Back Authority.

You are entitled to participate and vote at the 47<sup>th</sup> AGM via RPEV facilities or appoint proxy(ies) to participate in your place. In such event, you are required to complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible so as to reach our Share Registrar's office at Boardroom Share Registrars Sdn Bhd, 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the 47<sup>th</sup> AGM. Alternatively, the shareholders may deposit the Proxy Form by electronic means through the Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> to login and deposit your Proxy Form electronically, also 48 hours before the meeting.

**15. FURTHER INFORMATION**

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

Yours faithfully,  
For and on behalf of the Board of  
**FIMA CORPORATION BERHAD**

**DATUK BAZLAN BIN OSMAN**  
Chairman

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**FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

This Circular/Statement has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having taken due care and making all reasonable inquiries, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. MATERIAL CONTRACT**

Save as disclosed below, FimaCorp and its subsidiaries have not entered into any material contract outside the ordinary course of business, during the two (2) years preceding the date of this Circular/Statement:

On 28 September 2020, FimaCorp entered into a conditional Agreement for the Sale and Purchase of Business Assets which includes *inter alia* lease of the Plantation Lands known as Ladang Aring and Ladang Kuala Betis with PMBK Sawit Sdn Bhd for a purchase consideration in the aggregate sum of Ringgit Malaysia Fifty One Million and Five Hundred Thousand (RM51,500,000) only ("Proposed Acquisition"). The Proposed Acquisition was declared unconditional on 26 February 2021 and was subsequently completed on 3 May 2021.

**3. MATERIAL LITIGATION, CLAIM OR ARBITRATION**

Save as disclosed below, FimaCorp and its subsidiaries are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board does not have any knowledge of any proceedings pending or threatened against the FimaCorp Group or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of the FimaCorp Group except for the following:

(i) *PT Nunukan Jaya Lestari ("Plaintiff")*

-vs-

*Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional Republik Indonesia ("Defendant")*

On 21 October 2016, PTNJL had initiated legal proceedings at the State Administrative Court in Jakarta, Indonesia seeking an order to annul the order issued by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional ("Defendant") ("Ministerial Order") in revoking PTNJL's land title Hak Guna Usaha No.01/Nunukan Barat ("HGU") with immediate effect. Simultaneously, in the said application, PTNJL has also sought an order from State Administrative Court to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Indonesian courts.

The Ministerial Order was issued on the basis that the HGU was improperly issued due to administrative irregularities performed by certain officers of the Badan Pertanahan Nasional Provinsi Kalimantan Timur at the time of the issuance of the HGU in 2003, resulting in parts of the area within the HGU to overlap with forestry areas. PTNJL's planted area affected by the Ministerial Order measures 3,691.9 hectares.

On 13 June 2017, State Administrative Court delivered an oral judgment and dismissed the application filed by PTNJL to annul the Ministerial Order.

Subsequently, PTNJL has filed its statement of appeal on 21 June 2017 and memorandum of appeal on 24 July 2017 to the Pengadilan Tinggi Tata Usaha Negara Jakarta to appeal against the decision of the State Administrative Court.

The Pengadilan Tinggi Tata Usaha Negara Jakarta vide its written decision dated 11 December 2017 (which was received by PTNJL's solicitors on 2 January 2018 and subsequently forwarded to PTNJL on 3 January 2018):

- i. has partly allowed PTNJL's appeal against the State Administrative Court's decision, with costs;
- ii. has declared that the Ministerial Order revoking PTNJL's HGU to be void, save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares; and
- iii. has ordered the Defendant to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares.

Pursuant to Pengadilan Tinggi Tata Usaha Negara Jakarta's decision dated 11 December 2017, PTNJL has filed its statement of appeal on 10 January 2018 and appeal on 23 January 2018 to the Mahkamah Agung Republik Indonesia in respect of the decision of the Pengadilan Tinggi Tata Usaha Negara Jakarta.

Mahkamah Agung, vide its written decision dated 21 August 2018, has allowed PTNJL's appeal and ruled that the Ministerial Order revoking PTNJL's HGU be annulled. The Mahkamah Agung also ordered the Defendant, to simultaneously:

- i. issue an order cancelling PTNJL's HGU rights over the areas overlapping with third party interests measuring 3,500 hectares; and
- ii. issue a new HGU certificate in favour of PTNJL for an area measuring 16,474.130 hectares, (which is 19,974.130 hectares less the 3,500 hectares referred to in paragraph (i) above).

On 20 February 2019, FimaCorp announced that the Defendant has filed an application for judicial review together with its judicial review memorandum at the Mahkamah Agung on 8 February 2019 ("JR Application"), to set aside the Mahkamah Agung's written decision dated 21 August 2018 on grounds that the court had among others misapplied the law to the relevant facts in arriving at the decision.

PTNJL had on 18 March 2019 filed a counter-memorandum at the Mahkamah Agung in response to the judicial review application and memorandum filed by the Defendant.

Mahkamah Agung vide its written decision which was received by PTNJL's solicitors on 27 November 2019 has allowed the judicial review application filed by the Defendant against PTNJL ("JR Decision").

(ii) *Pengadilan Negeri Jakarta Selatan, Indonesia*

*PT Nunukan Jaya Lestari ("Plaintiff")*

-vs-

*Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional Republik Indonesia ("Defendant")*

*and*

*PT Adindo Hutani Lestari ("Defendant II")*

On 28 November 2019, PTNJL has instituted a civil suit in the Pengadilan Negeri Jakarta Selatan against Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan

Nasional Republik Indonesia (“BPN”) and PT Adindo Hutani Lestari (“AHL”) (collectively, “Defendants”).

The President Republik Indonesia and Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia (“Menteri Kehutanan”) have been named as co-defendants in the said suit.

PTNJL is *inter alia* seeking recognition over its rights and to allow PTNJL to continue its plantation activities as well as to restrain the Minister from issuing any new licences permits or approvals to any parties on or within the HGU.

On 15 September 2020, the Pengadilan Negeri Jakarta Selatan delivered an oral judgment and dismissed the civil suit initiated by PTNJL against the Defendants on the basis that the the Pengadilan Negeri Jakarta Selatan has no competency to hear the matter notwithstanding the civil nature of the claim. PTNJL has filed its notice of appeal and memorandum of appeal on 28 September 2020 and 21 April 2021 respectively to the Pengadilan Tinggi DKI Jakarta (through the Pengadilan Negeri Jakarta Selatan) in respect of the decision of the Pengadilan Negeri Jakarta Selatan.

(iii) Supreme Court in Jakarta, Indonesia

*PT Nunukan Jaya Lestari (“Appellant”)*

-vs-

*Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional Republik Indonesia (“Respondent I”)*

and

*PT Adindo Hutani Lestari (“Respondent II”)*

On 23 January 2020, PTNJL has filed an application at the Jakarta State Administrative Court (or Pengadilan Tata Usaha Negara Jakarta) for judicial review of the Mahkamah Agung which ruled in favour of Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional (“2<sup>nd</sup> JR Application”). The application is made on grounds that (among other things) the Decision contradicts some aspects of other established cases and that new material evidences (*novum*) that were not previously available has been discovered.

Vide the written decision of the Jakarta State Administrative Court dated 4 August 2021 (which was received by PTNJL's solicitors on 25 November 2021 and subsequently forwarded to PTNJL on 26 November 2021), PTNJL's 2<sup>nd</sup> JR Application has been dismissed. As a result of this ruling, the Mahkamah Agung's decision dated 27 November 2019 that allowed the JR Application made by the Defendant to set aside the court's earlier decision dated 21 August 2018 which had annulled the Ministerial Order revoking PTNJL's HGU land title, is upheld.

(iv) In the High Court of Malaya at Kuala Lumpur  
Suit No: WA-22NCvC-486-07/2018

*Percetakan Keselamatan Nasional Sdn Bhd (“Plaintiff”)*

-vs-

*Datasonic Technologies Sdn Bhd (“Defendant”)*

On 30 July 2018, FimaCorp announced that its wholly-owned subsidiary, Percetakan Keselamatan Nasional Sdn Bhd (“the Plaintiff/PKN/Appellant”) has on the same day, commenced a High Court action against Datasonic Technologies Sdn Bhd (“the Defendant/DTSB/Respondent”).

The claim is for a sum of RM24,975,000 (excluding interest and cost), being the amount due and owing by DTSB to PKN for 1.5 million Malaysian passport booklets which were supplied by PKN to DTSB.



At the request of DTSB during the case management on 3 October 2018, PKN agreed to attempt mediation with the aim of arriving at an amicable resolution. The mediation took place on 17 October 2018 and 19 October 2018. However, the parties could not reach a resolution.

As the parties were unable to reach a solution via mediation the matter went to trial in August 2021.

On 13 October 2021, the High Court Judge ordered the Defendant to pay the Plaintiff a sum of RM15,000,000 with 4% interest from 13 October 2021 until full and final settlement. In addition, the Court has ordered the Plaintiff to pay the Defendant costs of RM30,000.

The Appellant has on 29 October 2021, filed a Notice of Appeal at the Court of Appeal, appealing against some parts of the High Court's decision given on 13 October 2021. Subsequently on 22 December 2021, the Appellant has filed its Memorandum of Appeal together with the Records of Appeal at the Court of Appeal as per the Court's directive.

The hearing for the appeal was concluded on 15 June 2022 and after hearing oral submissions from the parties' respective counsel, the Court of Appeal had reserved its decision to be delivered on 18 August 2022.

#### **4. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur, following the date of this Circular/Statement from Mondays to Fridays (except public holidays) during business hours up to and including the date of the 47<sup>th</sup> AGM:

- (i) the Constitution of FimaCorp;
- (ii) the Audited Financial Statements of FimaCorp for the past two (2) financial years ended 31 March 2021 and 2022;
- (iii) the unaudited financial results for the period ended 30 June 2022; and
- (iv) the relevant cause papers in respect to the material litigation referred to in paragraph 3 above.

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