

**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.



**KUMPULAN FIMA BERHAD**

Registration No. 197201000167(11817-V)  
(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 Fifty-First (“51<sup>st</sup>”) Annual General Meeting (“AGM”) of Kumpulan Fima Berhad to be conducted on a virtual basis via live streaming and online remote voting from 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, 29 August 2023 at 3.00 p.m. or at any adjournment thereof using the Remote Participation and Electronic Voting facilities provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my>. Please follow the procedures provided in the Administrative Guide for the 51<sup>st</sup> AGM in order to register, participate, speak and vote remotely.

The Notice of the 51<sup>st</sup> AGM together with the Proxy Form are enclosed in the Company’s Annual Report 2023 and can be downloaded at the Company’s website at <https://www.fima.com.my/agm.html> 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 51<sup>st</sup> AGM. Alternatively, the shareholders may deposit the Proxy Form by electronic means through Boardroom Smart Investor 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, 27 August 2023 at 3.00 p.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 from time to time and any re-enactment thereof
- AGM** – Annual General Meeting
- BHR** – BHR Enterprise Sdn. Bhd. [198001011103 (64889-A)]
- Board or Board of Directors** – Board of Directors of KFima
- Bursa Securities** – Bursa Malaysia Securities Berhad [200301033577(635998-W)]
- Circular** – This circular to the shareholders of the Company dated 31 July 2023
- 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)** – A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the CMSA
- EPS** – Earnings per share
- IFC** – International Food Corporation Limited (C-1-19260)
- KFima or Company** – Kumpulan Fima Berhad [197201000167 (11817-V)]
- KFima Group or Group** – Collectively, KFima and its subsidiaries
- 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
- Major Shareholder(s)** – 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 shares, is:  
(a) 10% or more of the total number of voting shares in the Company; or  
(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.
- Market Day(s)** – A day on which the stock market of Bursa Securities is open for the trading of securities, which may include a surprise holiday
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## DEFINITIONS

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<b>NA</b>	– Net assets
<b>Person(s) Connected</b>	– Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
<b>Proposed Renewal of Share Buy-Back Authority</b>	– 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
<b>Proposed Share Buy-Back</b>	– Proposed purchase of up to ten percent (10%) of its issued share capital pursuant to the Proposed Renewal of Share Buy-Back Authority
<b>Proposed Renewal of Shareholders' Mandate</b>	– Proposed renewal of the existing shareholders' mandate for the KFima Group to enter into RRPT of revenue or trading nature
<b>Purchased Shares</b>	– Shares to be purchased or acquired by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority
<b>Related Party(ies)</b>	– A Director, Major Shareholder or Person Connected with such Director or Major Shareholder
<b>RRPT</b>	– Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group
<b>RM and sen</b>	– Ringgit Malaysia and sen respectively
<b>SC</b>	– Securities Commission
<b>Share(s)</b>	– Ordinary share(s) of KFima
<b>Substantial Shareholder</b>	– 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
<b>Validity Period</b>	– Proposed Renewal of Shareholders' Mandate validity period from 51 <sup>st</sup> AGM to 52 <sup>nd</sup> AGM

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

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**KUMPULAN FIMA BERHAD**

Registration No. 197201000167(11817-V)  
(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

31 July 2023

**Board of Directors**

Dato' Idris Bin Kechot (*Chairman/Independent Non-Executive Director*)  
Dato' Roslan Bin Hamir (*Group Managing Director/Non-Independent Executive Director*)  
Datuk Anuar Bin Ahmad (*Independent Non-Executive Director*)  
Dato' Rosman Bin Abdullah (*Non-Independent Non-Executive Director*)  
Rozana Zeti Binti Basir (*Non-Independent Non-Executive Director*)  
Datin Rozilawati Binti Haji Basir (*Non-Independent Non-Executive Director*)  
Danny Hoe Kam Thong (*Independent Non-Executive Director*)

**To: The Shareholders of Kumpulan Fima 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 50<sup>th</sup> AGM held on 23 August 2022, obtained a mandate from its shareholders to enter into RRPT with the Related Party. The existing shareholders' mandate on the RRPT shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 51<sup>st</sup> AGM, unless a mandate for its renewal is obtained from the shareholders of the Company at the forthcoming 51<sup>st</sup> AGM.

Accordingly, the Company had on 27 June 2023, announced its intention to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming 51<sup>st</sup> AGM. The Proposed Renewal of Shareholders' Mandate will take effect from the date of passing the resolution at the forthcoming 51<sup>st</sup> AGM until the next AGM of the Company in year 2024.

**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 51<sup>st</sup> AGM. The Notice of the 51<sup>st</sup> AGM, Administrative Guide and Proxy Form are enclosed together with the Company's Annual Report 2023 and can be downloaded at the Company's website at <https://www.fima.com.my/agm.html>.**

**Shareholders 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 51<sup>st</sup> AGM.**

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

### **2.1 Shareholders' Mandate**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek its 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 KFima 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 its announcement.

Accordingly, the Board is seeking shareholders' approval for the Proposed Renewal of Shareholders' Mandate from the date of the forthcoming 51<sup>st</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 51<sup>st</sup> AGM, and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following this 51<sup>st</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 Proposed Renewal of 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 investment, property holding and trading. The principal activities of KFima Group are manufacturing, bulking, plantation, canning and packaging food products. Details of KFima'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 is sought, shall include those described below:

Existing RRPT:

Name of Companies	Related Parties	Nature of RRPT	Interested Major Shareholder, Directors and Persons Connected to Them of KFima	Estimated Annual Value Disclosed in the Preceding Year's Circular	Actual Value of Transactions from Date of Last AGM on 23 August 2022 to Latest Practicable Date on 26 June 2023	Estimated Value of Transactions During Validity Period <sup>(1)</sup>
				<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
KFima <sup>(2)</sup> IFC <sup>(3)</sup>	KFima/ IFC	Sale of frozen fish  Seller: KFima  Buyer: IFC	<b>Major Shareholders</b> Dr. Roshayati Binti Basir Rozana Zeti Binti Basir BHR  <b>Directors</b> Dato' Roslan Bin Hamir <sup>(4)</sup> Rozana Zeti Binti Basir <sup>(5)</sup> Datin Rozilawati Binti Haji Basir <sup>(6)</sup>  <b>Persons Connected</b> Persons Connected to Major Shareholders (refer to section 2.11)	45,000	16,193	45,000

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)
Sale of frozen fish Seller: KFima Buyer: IFC	45,000 (As per IFC's projection for the financial year 2023/2024)

(2) KFima holds 95.57% effective interest in IFC, by virtue of its 77.85% direct investment and 17.72% indirect investment through Endell Pte Ltd (a company incorporated in the Republic of Singapore), an 80.00% owned subsidiary of Fima Overseas Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of KFima;

(3) IFC's principal activities are in the manufacturing and distribution of canned fish;

(4) Dato' Roslan Bin Hamir is the Group Managing Director of KFima and Director of IFC. He has direct and indirect shareholdings in KFima;

(5) Rozana Zeti Binti Basir is a Non-Independent Non-Executive Director of KFima, sister to Dr. Roshayati Binti Basir and Datin Rozilawati Binti Haji Basir, a major shareholder of KFima and has direct and indirect shareholdings in KFima; and

(6) Datin Rozilawati Binti Haji Basir is a Non-Independent Non-Executive Director of KFima, sister to Dr. Roshayati Binti Basir and Rozana Zeti Binti Basir and has direct and indirect shareholdings in KFima.



## 2.6 Amount Due and Owing by the Related Parties

The breakdown of the principal sum and interest for the 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 2023 are as follows:

Transacting Party	Principal Sum RM'000	Interest Charges (5.5% per annum) RM'000	Amount Owing from Transacting Parties as at 31 March 2023 Exceeding Credit Term (RM)			
			1 year or less RM'000	1 to 3 years RM'000	3 to 5 years RM'000	More than 5 years RM'000
IFC	30,120	10,101	11,761	3,957	23,538	965

The Company imposes an interest of 5.5% per annum on the outstanding amount. The management monitors and analyses the outstanding amounts on a regular basis and has and will continue to meet and discuss with IFC for settlement of the outstanding amounts. Notwithstanding the foregoing:

1. Monthly statements are issued to IFC in respect of the said amounts; and
2. Details of the outstanding amounts and the repayments made are also tabled and discussed at the Audit and Risk Committee Meetings.

The Board and the Audit and Risk Committee have reviewed the outstanding amounts and are of the opinion that the same were part of the Group's normal business operations, and are confident that the amount is recoverable as IFC is financially healthy and has had a long-standing business relationship with the Group. The Board, and the Audit and Risk Committee also takes into account the shortage of foreign currency in Papua New Guinea, which has among others, made the process of remitting payments overseas to take much longer.

## 2.7 Rationale and Benefits

The companies within the KFima Group have long-standing business relationships with each other. The Board is of the view that such close co-operation and strong relationship that exist within the KFima Group enables KFima to benefit from better services and attention than would otherwise be derived from third parties.

The Proposed Renewal of Shareholders' Mandate will benefit KFima to facilitate transaction in the normal course of business of the Group which is transacted from time to time with the Related Party on an arms' length basis, on normal commercial terms and, on terms which are not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the interests of our minority shareholders.

The RRPT to be entered into is intended to meet the business needs of the KFima Group on the best possible terms as well as to explore beneficial business opportunities within the Group. Additionally, the RRPT within the KFima Group are synergistic to the activities of the subsidiaries of KFima. The Board is of the view that KFima's close working relationship with IFC would enhance the competitiveness of KFima Group and is expected to continue to be beneficial to the businesses of KFima Group. The upstream and downstream linkages help to reduce inventory driven costs, increase the availability of inventory to fulfil customer demands, reduce inventory lead-time and improve asset-allocation.

The RRPT is likely to continue in the future on a frequent and recurrent basis and in view of this transaction may be time-sensitive nature, it is impractical to seek shareholders' approval on a case-by-case basis before entering into such related party transactions. By obtaining the shareholders' approval on the Proposed Renewal of Shareholders' Mandate on an annual basis will, therefore, enable the 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 Group 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 stipulated procedures in section 2.8 of this Circular 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 Interests of Directors, Major Shareholders and Persons Connected to Them in the Proposed Renewal of Shareholders' Mandate

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

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
<b>Directors</b>				
Dato' Roslan Bin Hamir	320,000	0.12	<sup>(1)</sup> 1,291,000	0.47
Rozana Zeti Binti Basir	49,415,100	17.94	<sup>(2)(3)</sup> 121,650,100	44.18
Datin Rozilawati Binti Haji Basir	1,000,000	0.36	<sup>(2)(3)</sup> 170,065,200	61.76

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
<b>Major Shareholders</b>				
Dr. Roshayati Binti Basir	50,020,700	18.16	<sup>(2)(3)</sup> 121,044,500	43.96
Rozana Zeti Binti Basir	49,415,100	17.94	<sup>(2)(3)</sup> 121,650,100	44.18
BHR	47,852,300	17.38	<sup>(4)</sup> 102,423,500	37.19
<b>Persons Connected to Directors and/or Major Shareholders of KFima other than disclosed above</b>				
<i>Persons Connected to BHR</i>				
Puan Sri Datin Hamidah Binti Abdul Rahman	365,000	0.13	<sup>(5)</sup> 170,700,200	61.99
Ahmad Riza Bin Basir	-	-	<sup>(2)</sup> 171,065,200	62.12
Zailini Binti Zainal Abidin	-	-	<sup>(6)</sup> 171,065,200	62.12

Notes:

- (1) Dato' Roslan Bin Hamir's indirect shareholding in the Company is held under Maybank Nominees (Tempatan) Sdn. Bhd.
- (2) Deemed interested by virtue that:
  - (i) Puan Sri Datin Hamidah Binti Abdul Rahman ("Puan Sri Datin Hamidah") is the mother of Dr. Roshayati Binti Basir ("Dr. Roshayati"), Datin Rozilawati Binti Haji Basir ("Datin Rozilawati"), Rozana Zeti Binti Basir ("Rozana Zeti") and Ahmad Riza Bin Basir ("Ahmad Riza") and her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
  - (ii) Dr. Roshayati, Datin Rozilawati and Rozana Zeti are sisters and their shareholdings in BHR of more than 20%. Dr. Roshayati and Rozana Zeti are major shareholders of KFima.
  - (iii) Rozana Zeti's direct shareholding in RZB Holdings Sdn. Bhd. ("RZB") pursuant to Section 8 of the Act. RZB holds 102,000 ordinary shares (or 0.04%) in the Company.
  - (iv) Children of Dr. Roshayati and Rozana Zeti's direct shareholdings of 180,000 ordinary shares (or 0.01%) and 1,200 ordinary shares (or 0.00%), respectively in KFima.
  - (v) Ahmad Riza is the son of Puan Sri Datin Hamidah and brother of Dr. Roshayati, Datin Rozilawati and Rozana Zeti and:
    - (a) his indirect shareholdings in the Company which are held through M & A Nominee (Tempatan) Sdn. Bhd. of 360,000 ordinary shares (or 0.13%) and Subur Rahmat Sdn. Bhd. ("SRSB") pursuant to Section 8 of the Act. SRSB holds 11,509,200 ordinary shares (or 4.18%) and 7,700,000 ordinary shares (or 2.80%) direct and indirect, respectively in KFima;
    - (b) his wife, Zailini Binti Zainal Abidin's ("Zailini") shareholding in SRSB pursuant to Section 8 of the Act and her indirect shareholding in KFima; and
    - (c) his children's shareholdings of 361,200 ordinary shares (or 0.13%) in KFima.
- (3) Datin Rozilawati's indirect shareholdings in the Company are held under Maybank Nominees (Tempatan) Sdn. Bhd. of 678,500 ordinary shares (or 0.25%), M & A Nominee (Tempatan) Sdn. Bhd. of 461,000 ordinary shares (or 0.17%) and Affin Hwang Nominees (Tempatan) Sdn. Bhd. of 200,000 ordinary shares (or 0.07%).
- (4) Puan Sri Datin Hamidah's direct shareholdings in KFima. Dr. Roshayati, Datin Rozilawati and Rozana Zeti's direct and indirect shareholdings in KFima. Deemed interested by virtue of their shareholdings in BHR of more than 20%.
- (5) Puan Sri Datin Hamidah is the mother of Dr. Roshayati, Datin Rozilawati, Rozana Zeti and Ahmad Riza, and a grandmother of children of Dr. Roshayati, Rozana Zeti and Ahmad Riza. Deemed interested by virtue of her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
- (6) Zailini is deemed interested by virtue of her shareholding in SRSB pursuant to Section 8 of the Act, a wife of Ahmad Riza and her children's shareholdings in KFima.

The abovementioned interested Directors, interested Major Shareholders namely, BHR, Dr. Roshayati Binti Basir, Rozana Zeti Binti Basir and Persons Connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in KFima on the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate and that they have undertaken to ensure that Persons Connected with them will also abstain from voting on the resolution at the forthcoming 51<sup>st</sup> AGM. Dato' Roslan Bin Hamir, Rozana Zeti Binti Basir and Datin Rozilawati Binti Haji Basir, being interested Directors, 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 relevant Board meetings.

## 2.12 Determining Transacted Price

The transacted price with the Related Party is determined by KFima's purchase price of fish (mackerel) sourced from China plus its financing costs and other related costs to the transactions. The purchase price is purely determined by the world's demand and supply of mackerel. However, given the nature and type of transaction that KFima enters into, in a number of occasions, it is impossible to find at least two (2) other similar or contemporaneous transactions with unrelated third parties for price comparison thereof which can be used as comparison to determine whether the prices and terms offered by KFima to the Related Party, as the case may be, are fair and reasonable and comparable to those offered to or by other unrelated parties.

In these instances, prices are determined based on market knowledge and on normal commercial terms in accordance with KFima 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 and are not detrimental to the KFima 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 KFima's issued 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 2024.

### **4. APPROVALS REQUIRED**

The Proposed Renewal of Shareholders' Mandate is subject to approval being obtained from the shareholders of KFima at the forthcoming 51<sup>st</sup> AGM.

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

The Board (save for the interested Directors, namely, Dato' Roslan Bin Hamir, Rozana Zeti Binti Basir and Datin Rozilawati Binti Haji Basir who have abstained from giving their opinions and recommendations), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company.

Accordingly, the Board (save for the interested Directors, namely, Dato' Roslan Bin Hamir, Rozana Zeti Binti Basir and Datin Rozilawati Binti Haji Basir who have abstained from giving their opinions and recommendations), recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 51<sup>st</sup> AGM.

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

The 51<sup>st</sup> AGM, the notice of which is set out in the Company's Annual Report 2023, will be conducted on a virtual basis via live streaming and online remote voting from 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, 29 August 2023 at 3.00 p.m. or at any adjournment thereof using Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my>.

You are entitled to participate and vote at the 51<sup>st</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 51<sup>st</sup> AGM. Alternatively, the shareholders may deposit the Proxy Form by electronic means through Boardroom Smart Investor 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 Appendix I for further information.

Yours faithfully,  
for and on behalf of the Board of  
**KUMPULAN FIMA BERHAD**

**DATO' IDRIS BIN KECHOT**  
*Chairman*



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

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### 1. INTRODUCTION

The shareholders of the Company had on 23 August 2022 approved, *inter-alia*, the authority for the Company to purchase such number of Shares of up to ten percent (10%) of the prevailing total number of issued shares of the Company. In accordance with the Listing Requirements, the said authority will expire at the conclusion of the forthcoming 51<sup>st</sup> AGM of the Company unless authority for its renewal is obtained from shareholders of the Company. Accordingly, on 27 June 2023, the Company announced to Bursa Securities its intention to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 51<sup>st</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 51<sup>st</sup> AGM. The Notice and the Proxy Form are enclosed in the Company's Annual Report 2023.

**Shareholders are advised to read contents of this Statement carefully before voting on the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority at the forthcoming 51<sup>st</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 ten percent (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 51<sup>st</sup> AGM and shall be valid until:

- (i) the conclusion of the next AGM of the Company 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
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

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 ten percent (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 26 June 2023, the Company has issued 282,231,600 Shares. Hence, the maximum number of KFima Shares that can be purchased and/or held by the Company pursuant to the Proposed Share Buy-Back is 28,223,160 KFima Shares, representing ten percent (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 2023, the Company's audited retained profits stood at RM184,888,245.

## **2.3 Pricing**

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

- (i) a price which is not less than the WAMP of KFima Shares for the five (5) Market Days immediately before the date of the resale or transfer; or
- (ii) a discounted price of not more than five percent (5%) to the WAMP of KFima Shares for the five (5) Market Days immediately before the date of the resale or transfer provided that:
  - (a) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
  - (b) the resale or transfer price is not less than the cost of purchase of KFima Shares being resold or transferred.

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

## 2.4 Treatment of Purchased Shares

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

- (i) cancel the Shares so purchased; or
- (ii) 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
- (iii) retain part of the Purchased Shares as treasury shares and cancel the remainder.

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

- (i) distribute the Shares as dividends to the shareholders, such dividends to be known as “share dividends”;
- (ii) resell the Shares or any of the purchased Shares in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the purchased Shares or any of the purchased Shares for the purposes of or under an employees’ share scheme;
- (iv) transfer the purchased Shares or any of the purchased Shares as purchase consideration;
- (v) cancel the purchased Shares or any of the purchased Shares; or
- (vi) sell, transfer or otherwise use the purchased Shares for such other purposes as the Minister may by order prescribe.

The actual number of KFima 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 KFima 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:

- (i) the Company may be able to stabilise the supply and demand of KFima Shares traded on the Bursa Securities and thereby support its fundamental value;
- (ii) if the KFima 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 the Company will increase;
- (iii) if the KFima Shares bought back are kept as treasury shares, it will give the Board an option to sell the KFima Shares so purchased at a higher price and therefore make an exceptional gain for the Company; and
- (iv) KFima 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 KFima and may need to be balanced against investment opportunities and other shareholders’ value proposals. The Directors 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:

- (i) 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
- (ii) 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.

In any event, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back.

#### 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>
<b>Share capital as at 26 June 2023 (including the existing treasury shares)</b>	<b>282,231,600</b>
<b>Less: Cancellation of KFima Shares bought back (up to 10% of the existing share capital)</b>	<b>(28,223,160)</b>
<b>Share capital upon completion of the Proposed Share Buy-Back</b>	<b>254,008,440</b>

##### 5.2 Net Assets

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

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



If the treasury shares are resold on Bursa Securities, the NA per KFima 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 KFima 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 KFima Group, the quantum of which would depend on the purchase price of the KFima Shares, the number of KFima Shares purchased and the effective funding cost and/or loss of interest income of the Company.

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

### 5.4 Earnings

Whether the KFima Shares to be purchased under the Proposed Share Buy-Back are maintained as treasury shares or cancelled, will result in lower number of KFima 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 KFima Group will depend on the actual number of KFima Shares bought back, the purchase prices of KFima Shares and the effective cost of funding or any loss in interest income to the Group. Assuming that the KFima Shares purchased are retained as treasury shares and resold, the effects on the earnings of the KFima 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 KFima Shares so purchased are cancelled, the Proposed Share Buy-Back will increase the EPS of the KFima Group provided the income foregone and/or interest expense incurred on the KFima 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 KFima's substantial shareholders and Directors as at 26 June 2023 are as follows:

Name(s)	Number of Shares Held As at 26 June 2023				Number of Shares Held After Proposed Renewal of Share Buy-Back Authority			
	Direct	*%	Indirect	*%	Direct	%	Indirect	%
<b>Substantial/ Major Shareholders</b>								
Dr. Roshayati Binti Basir	50,020,700	18.16	<sup>(1)(5)</sup> 121,044,500	43.96	50,020,700	19.69	<sup>(1)(5)</sup> 121,044,500	47.65
Rozana Zeti Binti Basir	49,415,100	17.94	<sup>(1)(5)</sup> 121,650,100	44.18	49,415,100	19.45	<sup>(1)(5)</sup> 121,650,100	47.89
BHR	47,852,300	17.38	<sup>(1)(2)</sup> 102,423,500	37.19	47,852,300	18.84	<sup>(1)(2)</sup> 102,423,500	40.32
Subur Rahmat Sdn. Bhd.	11,509,200	4.18	<sup>(3)</sup> 9,280,200	3.37	11,509,200	4.53	<sup>(3)</sup> 9,280,200	3.65
<b>Persons Connected</b>								
Puan Sri Datin Hamidah Binti Abdul Rahman	365,000	0.13	<sup>(4)</sup> 170,700,200	61.99	365,000	0.14	<sup>(4)</sup> 170,700,200	67.20
Datin Rozilawati Binti Haji Basir	1,000,000	0.36	<sup>(1)(5)</sup> 170,065,200	61.76	1,000,000	0.39	<sup>(1)(5)</sup> 170,065,200	66.95
Ahmad Riza Bin Basir	-	-	<sup>(1)</sup> 171,065,200	62.12	-	-	<sup>(1)</sup> 171,065,200	67.35
Zailini Binti Zainal Abidin	-	-	<sup>(6)</sup> 171,065,200	62.12	-	-	<sup>(6)</sup> 171,065,200	67.35

Name(s)	Number of Shares Held As at 26 June 2023				Number of Shares Held After Proposed Renewal of Share Buy-Back Authority			
	Direct	*%	Indirect	*%	Direct	*%	Indirect	*%
<b>Directors</b>								
Dato' Idris Bin Kechot	10,000	0.00	-	-	10,000	0.004	-	-
Dato' Roslan Bin Hamir	320,000	0.12	<sup>(7)</sup> 1,291,000	0.47	320,000	0.13	<sup>(7)</sup> 1,291,000	0.51
Rozana Zeti Binti Basir	49,415,100	17.94	<sup>(1)(5)</sup> 121,650,100	44.18	49,415,100	19.45	<sup>(1)(5)</sup> 121,650,100	47.89
Datin Rozilawati Binti Haji Basir	1,000,000	0.36	<sup>(1)(5)</sup> 170,065,200	61.76	1,000,000	0.39	<sup>(1)(5)</sup> 170,065,200	66.95
Dato' Rosman Bin Abdullah	20,000	0.007	-	-	20,000	0.008	-	-

**Notes:**

- \* Excluding a total of 6,853,200 shares bought back by the Company and retained as treasury shares as at 26 June 2023.
- (1) Deemed interested by virtue that:
- (i) Puan Sri Datin Hamidah Binti Abdul Rahman ("Puan Sri Datin Hamidah") is the mother of Dr. Roshayati Binti Basir ("Dr. Roshayati"), Datin Rozilawati Binti Haji Basir ("Datin Rozilawati"), Rozana Zeti Binti Basir ("Rozana Zeti") and Ahmad Riza Bin Basir ("Ahmad Riza") and her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
- (ii) Dr. Roshayati, Datin Rozilawati and Rozana Zeti are sisters and their shareholdings in BHR of more than 20%. Dr. Roshayati and Rozana Zeti are major shareholders of KFima.
- (iii) Rozana Zeti's direct shareholding in RZB Holdings Sdn. Bhd. ("RZB") pursuant to Section 8 of the Act. RZB holds 102,000 ordinary shares (or 0.04%) in the Company.
- (iv) Ahmad Riza is the son of Puan Sri Datin Hamidah and brother of Dr. Roshayati, Datin Rozilawati and Rozana Zeti and:
- (a) his indirect shareholdings in the Company which are held through M & A Nominee (Tempatan) Sdn. Bhd. of 360,000 ordinary shares (or 0.13%) and Subur Rahmat Sdn. Bhd. ("SRSB") pursuant to Section 8 of the Act. SRSB holds 11,509,200 ordinary shares (or 4.18%) and 7,700,000 ordinary shares (or 2.80%) direct and indirect, respectively in KFima;
- (b) his wife, Zailini Binti Zainal Abidin's ("Zailini") shareholding in SRSB pursuant to Section 8 of the Act and her indirect shareholding in KFima; and
- (c) his children's shareholdings of 361,200 ordinary shares (or 0.13%) in KFima.
- (2) Puan Sri Datin Hamidah's direct shareholdings in KFima. Dr. Roshayati, Datin Rozilawati and Rozana Zeti's direct and indirect shareholdings in KFima. Deemed interested by virtue of their shareholdings in BHR of more than 20%.
- (3) SRSB's indirect shareholdings in the Company are held through M & A Nominee (Tempatan) Sdn. Bhd., Ahmad Riza, Zailini and their children. Ahmad Riza and his wife, Zailini are deemed interested by virtue of their interest in SRSB pursuant to Section 8 of the Act.
- (4) Puan Sri Datin Hamidah is the mother of Dr. Roshayati, Datin Rozilawati, Rozana Zeti and Ahmad Riza, and a grandmother of children of Dr. Roshayati, Rozana Zeti and Ahmad Riza. Deemed interested by virtue of her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
- (5) Datin Rozilawati's indirect shareholdings in the Company are held under Maybank Nominees (Tempatan) Sdn. Bhd. of 678,500 ordinary shares (or 0.25%), M & A Nominee (Tempatan) Sdn. Bhd. of 461,000 ordinary shares (or 0.17%) and Affin Hwang Nominees (Tempatan) Sdn. Bhd. of 200,000 ordinary shares (or 0.07%).
- (6) Zailini is deemed interested by virtue of her shareholding in SRSB pursuant to Section 8 of the Act, a wife of Ahmad Riza and her children's shareholdings in KFima.
- (7) Dato' Roslan Bin Hamir's indirect shareholding in the Company is held under Maybank Nominees (Tempatan) Sdn. Bhd.

## 7. PUBLIC SHAREHOLDING SPREAD

As at 26 June 2023, the public shareholding spread of the Company was 38.09%. The public shareholding spread is expected to reduce to 30.19% assuming the Proposed Share Buy-Back is implemented in full and all the KFima Shares so purchased are cancelled.

The Board is mindful of the requirement that any purchase of KFima 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 KFima Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

## 9. PURCHASE OF KFIMA SHARES IN THE PREVIOUS 12 MONTH

During the financial year ended 31 March 2023, the Company purchased 745,100 of KFima Shares, all of which are retained as treasury shares.

Further details on the KFima Shares purchased by the Company are set out in Note 28 to the Financial Statements contained in the Annual Report 2023.

## 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>2022</u>		
April	2.449	2.215
May	2.420	2.263
June	2.790	2.371
July	2.634	2.224
August	2.449	2.100
September	2.200	1.820
October	2.050	1.880
November	2.030	1.920
December	2.020	1.950
<u>2023</u>		
January	2.040	1.940
February	2.050	1.970
March	2.110	1.990
April	2.120	2.040
May	2.130	2.040
June	2.050	1.950

(Source: Investing.com)

## 11. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back Authority is conditional upon the approval of the shareholders of KFima at the forthcoming 51<sup>st</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

The Board, after having considered and deliberated on the Proposed Renewal of Share Buy-Back Authority is of the view 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 pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the Company's forthcoming 51<sup>st</sup> AGM.

#### **14. ANNUAL GENERAL MEETING**

The 51<sup>st</sup> AGM, the notice of which is set out in the Company's Annual Report 2023, will be conducted on a virtual basis via live streaming and online remote voting from 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, 29 August 2023 at 3.00 p.m. or at any adjournment thereof using the Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my>.

You are entitled to participate and vote at the 51<sup>st</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 51<sup>st</sup> AGM. Alternatively, the shareholders may deposit the Proxy Form by electronic means through Boardroom Smart Investor 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 advised to refer to the attached Appendix I for further information.

Yours faithfully,  
for and on behalf of the Board of  
**KUMPULAN FIMA BERHAD**

**DATO' IDRIS BIN KECHOT**  
*Chairman*

## APPENDIX I

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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

KFima 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.

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

Save as disclosed below, KFima 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 KFima Group or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of the KFima Group except for the following:

(i) *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, PT Nunukan Jaya Lestari ("PTNJL"), a subsidiary of the Company's subsidiary, Fima Corporation Berhad ("FimaCorp"), had initiated 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 Menteri Kehutanan from issuing any new licences, permits or approvals to any parties on/or within the PTNJL's land title Hak Guna Usaha No.01/Nunukan Barat ("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 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.

(ii) 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, PTNJJL had on the same day 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 the grounds that (among other things) the first judicial review decision which ruled in favour of BPN, 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 PTNJJL's solicitors on 25 November 2021 and subsequently forwarded to PTNJJL on 26 November 2021), PTNJJL'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 PTNJJL's HGU land title, is upheld.

(iii) 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, Percetakan Keselamatan Nasional Sdn. Bhd. (“PKN/Plaintiff/Appellant”), a wholly-owned subsidiary of the Company's subsidiary, FimaCorp, has on the same day, commenced a High Court action against Datasonic Technologies Sdn. Bhd. (“DTSB/Defendant/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.

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. On 26 October 2022, the Court of Appeal had allowed PKN's appeal in part. In this regard, the Court of Appeal had maintained the judgment of the High Court Judge save for the following:

- (a) Post-judgment interest rate has been increased from 4% to 5% per annum.
- (b) Costs of RM30,000 which was ordered by the High Court against PKN has been set aside. In turn, the costs of RM30,000 previously remitted by PKN to DTSB pursuant to the judgment of the High Court is to be refunded by DTSB to PKN.
- (c) In addition, DTSB has been ordered to pay PKN costs in the sum of RM30,000 for the High Court action.
- (d) Costs of RM5,000 to be paid by DTSB to PKN subject to allocator fee.

There is no further appeal by PKN on the matter. The Defendant has also fulfilled their obligations based on the judgments of the High Court and Court of Appeal.

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

Copies of the following documents are available for inspection at the registered office of KFima 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 51<sup>st</sup> AGM:

- (i) the Constitution of KFima;
- (ii) the Audited Financial Statements of the KFima Group for the past two (2) financial years ended 31 March 2022 and 2023;
- (iii) the unaudited financial results for the period ended 30 June 2023; and
- (iv) the relevant cause papers in respect of the material litigation referred to in paragraph 3 above.

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