FIMACORP AGM – Q&A

Note: Some questions / comments by shareholders have been edited for clarity and brevity.

Live AGM Questions

No.	Shareholders' Name	Question/ Comments	Answer / Response
1.	Chee Sai Mun	The Malaysian plantation area is about half of the Indonesian plantation area, but the Malaysian operations are still not profitable. When will the Malaysian plantation operations become profitable?	The Company currently has a few estates in Malaysia, namely in Terengganu, Perak and Kelantan. The first two estates that the Group acquired are now profitable, and the Company expects to turn around the other estates within the next two to three years.
		Does wildlife intrusion affect the biological assets?	The biological assets recognised by the Group are not significant in value, as they mainly relate to the cost of the trees. Thus, any impact from wildlife intrusion on the biological assets is not considered material.
		The results for the last two quarters show a downtrend. Could Management explain the reason for this and the Company's strategy?	The downtrend is mainly due to the Manufacturing Division's contracts, which are seasonal. The revenue is only recognised upon delivery of these documents. For example, work may commence in the first and second quarters, with billing made upon completion in the third quarter. Hence, the results fluctuate between quarters due to the timing of billing.
		As the Company funds these projects before getting paid, and there is no progressive billing, how does the Company manage the associated risks?	The Company assesses the counterparty risk of the client before undertaking such projects. In this instance, the client risk was assessed to be low, which supported the Company's decision to proceed with the project.
		With reference to Percetakan Keselamatan Nasional Sdn Bhd, which is involved in the production of licences, passports and other security documents, how will the Company ensure that this business remains viable going forward?	Demand for traditional security printing products has declined as the market increasingly shifts towards digital solutions. While these solutions are not currently the Company's area of expertise, the Company continues to explore opportunities and working with strategic partners to assess how it can participate in this market.

No.	Shareholders' Name	Question/ Comments	Answer / Response
		Any future plans to move or develop in this digital solutions or work with digital partners?	The Company is exploring opportunities to diversify into other products and has recently secured a contract for tax stamp labels. While the value of the contract is not significant, it provides an opportunity for the Company to further develop and expand this product segment.
		Is there an estimated timeline for resolving the land issues in Indonesia? The shareholder also noted that the Company appears to be slowing down in terms of fertiliser application.	Currently, there is no definite timeline or clear solution as the matter remains uncertain and is largely dependent on the relevant authorities. Based on the developments to date, the Company is continuing to monitor the situation pending further determination by the relevant authorities. Fertiliser application in the affected areas has been reduced/ceased to avoid incurring further expenditure on areas where operations are presently constrained.
		Has any provision been made?	All the affected land has been fully provided for.
		On the revenue side, is there any risk of a roll-back of revenue?	No.
2.	Leo Ann Puat	For FYE 2026, the Company's profit and revenue appear to have declined. Could the Company explain the main factors contributing to the lower profit, particularly the other operating expenses on page 166 of the Annual Report? The shareholder thanked the Company for continuing to pay dividends and commended the Company on its positive cash flow and good management of trade receivables.	The main items contributing to the difference were: (i) additional withholding tax on dividends received from Indonesia; (ii) approximately RM3 million impairment relating to wildlife intrusions; and (iii) an adverse year-on-year movement of approximately RM3.9 million, arising from a provision for inventory write-downs of RM2.1 million in the current year, compared with a reversal of provision amounting to RM1.8 million in the preceding year, both relating to the Manufacturing Division. The Company is currently exploring opportunities to salvage the affected inventories.

No.	Shareholders' Name	Question/ Comments	Answer / Response
		Given the increasing digitalisation, what challenges does the Company foresee in maintaining or increasing revenue from the manufacturing business?	Increasing digitalisation may affect demand for certain traditional printed products over time, and the Company continues to monitor these developments closely. At the same time, the Manufacturing Division will continue to look for opportunities in areas where there remains sustainable demand and where the Company has the relevant capabilities and experience. Historically, manufacturing was FimaCorp's main business, before the Company ventured into plantation in 2006. Given FimaCorp's relatively smaller capital base and balance sheet, the Company has to be selective in pursuing new investments and is generally not in a position to undertake very large acquisitions or projects.
		Does FimaCorp have any plans to diversify into other related businesses or products to reduce its reliance on its existing plantation and security printing businesses, or is all future diversification left to KFIMA?	FimaCorp remains open to suitable opportunities and is not restricted to the plantation and manufacturing businesses. However, any diversification or expansion will need to be appropriate to the Company's financial capacity and risk profile. In the Plantation Division, the Group has historically developed greenfield estates rather than acquiring large established or brownfield estates. The Group currently has approximately 4,000 hectares of plantation land, and management sees further potential to improve the performance and contribution of these estates over time. While the full benefits may not be immediately visible, management expects the development and improvement of the plantation operations to provide an additional source of income for FimaCorp in the coming years.
3.	Chee Sai Mun	What are the latest developments in our coffee and durian businesses?	Coffee and durian are not presently the main focus of FimaCorp's Plantation Division. These initiatives are still at an early or trial stage and form part of the Group's efforts to optimise the use of available land, particularly areas that may be less suitable for oil palm cultivation.

No.	Shareholders' Name	Question/ Comments	Answer / Response
4.	Leo Ann Puat	The Manufacturing Division does not have much prospects, and there is not much scope to expand the plantation business in Peninsular Malaysia. Are there any plans to expand the plantation business in Indonesia, and what is the potential?	Not at this juncture. While the returns are good, the risk is higher. The Company has not found any asset with a return-to-risk profile similar to previous years.
		KFIMA also owns plantations, and FimaCorp also has plantations. Would it be more logical to place the plantation business under FimaCorp?	The Group will continue to review its corporate structure from time to time to ensure that it remains appropriate and efficient.
		How does the Company address the falling shareholders' funds of FimaCorp?	When paying dividends, the Company looks at affordability, as dividends are paid purely in cash. Cash flow-wise, the Company is in a healthy position, taking into account non-cash items as well.
		Can the Company push its property management to venture into property development? What about the engineering business?	The engineering business was started to support the Group, with plans to expand to external parties where suitable opportunities arise. Property development is not currently a core business of the Group.
		The 4,000 hectares of plantation are expected to reach maturity in two to three years. Can the Group accelerate this growth?	The Company can only accelerate the planting programme; it cannot accelerate harvesting. Management will therefore focus on ensuring that planting and estate development are carried out efficiently so that the plantations can reach productive maturity as planned.
5.	Chee Sai Mun	Will we proceed with setting up our own mills?	Yes. There are plans to set up the Company's own mill in Kelantan.

No.	Shareholders' Name	Question/ Comments	Answer / Response
		How do we plan to set up mills on the East Coast, given the flood risks in the area?	The mill would not be located in an area identified as flood-prone, and in determining the location the proposed site will be carefully assessed to minimise exposure to flooding and other operational risks.
		The external mills are spread out. Is this a concern?	The distance to external mills is not presently a significant concern, as a mill located within approximately a 60 km radius is generally regarded as operationally acceptable.
6.	Wong Yu	What is the status of the Indonesian plantations? Now that the Indonesian government is taking back 5 million hectares of land, is there any risk to the Company's land?	Yes, there is some exposure in respect of the affected area, as previously disclosed in the Company's quarterly reports. Moreover, the Company has made full provision in respect of the affected land. The matter has also affected harvesting activities in the relevant area, which in turn has had an impact on the Plantation Division's profitability. Management continues to monitor the position and engage with the relevant authorities on the matter.
		Is there any chance that FimaCorp will dispose of the land?	If there is a good offer, the Company will consider it. However, the issues currently affecting the land have adversely affected its value and may also have an impact on marketability. Any disposal would therefore need to be assessed carefully, taking into account the prevailing circumstances and the value that can reasonably be achieved.
7.	Chee Sai Mun	Indonesia has 5,290 hectares of mature oil palm area, while Peninsular Malaysia has 2,991 hectares, as stated on page 31 of the Annual Report 2026. The shareholder sought clarification on whether these figures are separate and should be added together, which would give a total	The 5,290 hectares refers to the mature oil palm area in Indonesia, while the 2,991 hectares refers to the mature oil palm area in Peninsular Malaysia, giving a total mature oil palm area of approximately 8,281 hectares.

No.	Shareholders' Name	Question/ Comments	Answer / Response
		mature oil palm area of approximately 8,281 hectares.	
8.	Rien Hashim	(a) Can shareholders expect a dividend of 12.5 sen per share in the current financial year? (b) Looking at the second-quarter results, what was the reason for the significant increase in profit? Was this due to seasonal factors, and can the Company expect a similar performance in the coming quarters? (c) Why did the Company record a loss in the fourth quarter but a profit in the first quarter? (d) Approximately 3,000 hectares in Indonesia are at risk. What is the net asset value of these areas? (e) Will durian be explored as a crop?	(a) Dividends will depend on the Group's performance and the Board's assessment at the relevant time. The Company is therefore not in a position to provide an estimate at this stage. However, the Company has maintained a consistent dividend payment over the past three years and hopes to sustain this, subject to the Group's performance. (b) The increase was mainly attributable to the completion of a Manufacturing Division project during the second quarter, which resulted in the recognition of significant RM42 million income, and contributed to the higher revenue and profit for the quarter. The Manufacturing Division's business is relatively "chunky" in nature, and the timing of project completion and billing can result in significant fluctuations in quarterly performance. (c) The fourth-quarter result was affected, among other factors, by a provision of approximately RM3 million relating to wildlife intrusion, which impacted the profitability of the Plantation Division. (d) Zero, as these areas have been fully impaired. (e) Durian is still at the trial stage and no decision has been made yet. At present, the trial does not have a material impact on the Company's performance.
		The shareholder expressed concern regarding the catering arrangements at the AGM and commented that the food provided could be improved. He suggested that future AGM venues be more accessible by public transport, and that light refreshments or breakfast and Wi-Fi access be made	The Board took note of the matters/suggestions raised by the shareholder. The Board also noted the request for Wi-Fi and it was clarified that Wi-Fi is in fact available at the AGM venue. With regard to the Annual Report, the Company issues the Annual Report

No.	Shareholders' Name	Question/ Comments	Answer / Response
		available to shareholders while waiting for the AGM to commence. The shareholder expressed concern over the absence of physical copies of the Annual Report at the AGM. With reference to Paragraph 13.4 of the MCCG, the shareholder highlighted the incident at the previous AGM where he was prevented from attending the meeting and expressed dissatisfaction with how the matter was handled. The shareholder suggested that the Company consider providing future door gifts through Touch 'n Go e-wallet.	electronically in accordance with Paragraph 2.19B of the Bursa Malaysia Main Market Listing Requirements. The Annual Report is made available on the Company's website and through Bursa Malaysia. Shareholders may request a printed copy from the Company, and the hard copy should generally be provided within four market days after receipt of the request. As for the shareholder's concerns regarding the registration process and the incident at the previous AGM, the matter will be looked into and reviewed with the Company Secretarial team.