



## FIMA CORPORATION BERHAD

(Company No: 21185-P)

Minutes of the Fortieth (40<sup>th</sup>) Annual General Meeting of FIMA CORPORATION BERHAD held on Tuesday, **22 September 2015** at 10.30 a.m. at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur

### PRESENT

YBhg Dato' Adnan bin Shamsuddin	Chairman
Encik Roslan bin Hamir	Managing Director
Encik Rezal Zain Abdul Rashid	Director
YBhg Datuk Alias bin Ali	Director
Dr. Roshayati binti Basir	Director

### IN ATTENDANCE

Ms. Lee Mo Leng, Susan	Company Secretary
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### BY INVITATION

(i) Members/Proxies	As per attendance list
(ii) Other invitees	As per attendance list

### CHAIRMAN'S ADDRESS

Dato' Chairman extended a warm welcome to those present.

### QUORUM

The requisite quorum being present, Dato' Chairman called the Meeting to order.

**NOTICE OF MEETING**

The notice convening the meeting was tabled and taken as read.

**PRELIMINARY**

Dato' Chairman introduced each and every member of the Board of Directors as well as the Company Secretary who were in attendance.

To ensure orderly proceedings of the meeting, Dato' Chairman advised all those who wish to propose or second a resolution in the Agenda to kindly state their names.

**TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

Dato' Chairman declared that the Audited Financial Statements for the financial year ended 31 March 2015 together with the Reports of the Directors and Auditors was tabled and taken as read.

Dato' Chairman explained that the Audited Financial Statements and Reports are for discussion only under Agenda 1, as it did not require shareholders' approval under the provisions of Section 169(1) of the Companies Act 1965. Hence, it will not be put forward for voting.

Chief Operating Officer, Encik Nazaruddin Mohd Hadri was called upon to give a brief presentation on the financial performance of the Company which covered the following:

1. FimaCorp at a glance
2. 2014/2015 Performance overview
3. 2014/2015 Financial snapshot
4. 2014/2015 Operation overview
5. Moving forward

Before opening the floor to questions, Dato' Chairman informed that the Company had received a letter dated 15 September 2015 from the Minority Shareholder Watchdog Group ("MSWG") which sought clarifications on issues reported in the Annual Report 2015. For the benefit of the shareholders present, the Chief Operating Officer read out the reply to the issues raised by MSWG. Thereafter, it was opened to the floor for questions on the Audited Financial Statements.

The Board responded to the following issues raised by the shareholders:

(1) Mr. Wan Heng Wah made the following enquiries which were responded by the Managing Director (“MD”):

(a) What is the position of the printing of security and confidential documents division amidst the challenges posed by e-commerce and e-solution?

The MD explained that security printing is now a combination of system based and paper based with higher volume but at a lower margin. After the division’s concession ended in 2011, contracts were awarded through tenders. Generally, the contracts are for a 5-year period with fixed prices, and good margins enjoyed in the early years of the contract declined as costs increase over the contract period.

(b) Was the plantation land in Kemaman, Terengganu hit by the recent flood?

The MD responded that the estate in Kemaman is on higher ground and thus, not affected by the flood. However, fresh fruit bunches (“FFB”) could not be delivered to the mills as the roads were flooded and not accessible.

(c) How is the planting progress in Nunukan.

The MD responded that approval from the local and central government are required for the remaining 12,000 ha of plantable land in Nunukan. The application for the approval is a lengthy and difficult process, particularly so whenever there is a change in the government administration.

(d) Is the Company planning to expand its oil palm business to East Malaysia or other parts of Kalimantan, Indonesia?

The MD responded that the Company is unable to compete with the big players in acquiring plantation land of large sizes. As announced on 14 September 2015, the Company is in the process of acquiring 2,000 ha of land in Sungai Siput, Perak.

(2) Mr. Leo Ann Puat sought clarification on the following matters which were responded by the MD:

(a) % of revenue in foreign currency and Ringgit Malaysia.

The MD explained that revenue from oil palm plantation, mainly in US Dollars, had improved following the weakening of Ringgit Malaysia. However, in the security printing division, the impact of the unfavourable exchange rate is approximately 6% on gross profit margin.

(b) Is the FFB yield good compared with companies like FELDA and IOI?

The MD responded that based on 118 palms per ha planted in Nunukan, a yield of 23 mt per ha is considered commendable.

After having responded to all the questions raised, Dato' Chairman declared that the Company's Audited Financial Statements for the financial year ended 31 March 2015 and Directors and Auditors Reports as duly received and considered.

#### **ORDINARY BUSINESS**

#### **ORDINARY RESOLUTION 1**

**TO DECLARE A SINGLE-TIER FINAL DIVIDEND OF 15.0% OR 7.5 SEN PER SHARE OF RM0.50 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 MARCH 2015 AS RECOMMENDED BY THE DIRECTORS**

Proposed by Mr. Wong Yu and seconded by Encik Roslan Hamir, the shareholders RESOLVED:

*"That a single-tier final dividend of 15.0% or 7.5 sen per share of RM0.50 per share be and are hereby declared payable on 9 October 2015 to Shareholders registered at the close of business on 25 September 2015."*

**RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION  
PURSUANT TO ARTICLE 113 OF THE COMPANY'S ARTICLES OF  
ASSOCIATION**

The shareholders' approval was sought for the re-election of the following Directors who retire by rotation pursuant to Article 113 of The Company's Articles of Association and who, being eligible, offer themselves for re-election:-

- (i) Dato' Adnan bin Shamsuddin (Resolution 2)
- (ii) Encik Rezal Zain bin Abdul Rashid (Resolution 3)

As a matter of good practice, the re-election of each Director was voted on individually in a separate motion.

**ORDINARY  
RESOLUTION 2**

**TO RE-ELECT DATO' ADNAN BIN SHAMSUDDIN, THE DIRECTOR  
RETIRING IN THIS MEETING IN ACCORDANCE WITH ARTICLE 113  
OF THE COMPANY'S ARTICLES OF ASSOCIATION**

Dato' Chairman handed the chairmanship of the Meeting to Datuk Alias Ali for Resolution 2.

Proposed by Mr. Wong Yu and seconded by Mr. Wan Heng Wah, the shareholders RESOLVED:

*"That Dato' Adnan bin Shamsuddin, the Director retiring in this meeting in accordance with Article 113 of the Company's Articles of Association, be and is hereby re-elected Director of the Company."*

Datuk Alias bin Ali handed the chairmanship back to Dato' Chairman for the next item.

**ORDINARY  
RESOLUTION 3**

**TO RE-ELECT ENCIK REZAL ZAIN BIN ABDUL RASHID, THE  
DIRECTOR RETIRING IN THIS MEETING IN ACCORDANCE WITH  
ARTICLE 113 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

Proposed by Mr. William Woon and seconded by Mr. Wong Yu, the shareholders RESOLVED:

*"That Encik Rezal Zain bin Abdul Rashid, the Director retiring in this meeting in accordance with Article 113 of the Company's Articles of Association, be and is hereby re-elected Director of the Company."*

**ORDINARY  
RESOLUTION 4****TO APPROVE THE PAYMENT OF DIRECTORS' FEES**

Dato' Chairman handed the chairmanship of the Meeting to the Managing Director, Encik Roslan Hamir in view that the Non-Executive Directors including himself should abstain from voting on Resolution 4 concerning the payment of Directors' fees.

Proposed by Mr. William Woon and seconded by Mr. Wong Yu, the shareholders RESOLVED:

*"That the payment of Directors' fees for the Chairman and each of the non-executive Directors of RM75,000 and RM50,000 per annum respectively and the payment of Audit Committee Fixed Fees for the Chairman and each of the members of RM15,000 and RM6,000 per annum respectively be hereby approved."*

The Managing Director handed over the chairmanship to Dato' Chairman for the next item.

**ORDINARY  
RESOLUTION 5****TO RE-APPOINT MESSRS. HANAFIAH RASLAN & MOHAMAD AS  
AUDITORS OF THE COMPANY AND TO AUTHORISE THE  
DIRECTORS TO FIX THEIR REMUNERATION**

Proposed by Mr. Wong Yu and seconded by Encik Roslan Hamir, the shareholders RESOLVED:

*"That Messrs. Hanafiah Raslan & Mohamad be and are hereby re-appointed Auditors of the Company until the next Annual General Meeting at a fee to be determined by the Directors."*

**SPECIAL BUSINESS****ORDINARY  
RESOLUTION 6****PROPOSED RENEWAL OF THE AUTHORITY FOR SHARES BUY-BACK**

Proposed by Ms. Lee Mo Leng and seconded by Mr. Wong Yu, the shareholders RESOLVED:

*"THAT subject to the Companies Act, 1965 (the ACT), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such amount of ordinary shares of RM1.00 each in the Company's issued and paid-up*

*share capital as may be determined by the Directors of the Company from time to time through the Bursa Securities subject further to the following :*

- i. the number of ordinary shares of RM1.00 each in the Company ("Shares") which may be purchased or held by the Company shall not exceed ten per (10%) of the issued and paid-up share capital of the Company;*
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total retained profits, and share premium account, if any, of the Company. The audited retained profits of the Company as at 31 March 2015 amounted to RM51,149,000;*
- iii. the authority conferred by this resolution will be effective immediately upon passing of this ordinary resolution and shall continue to be in force until :*
  - (a) the conclusion of the next AGM of FimaCorp following the general meeting in which the authorization 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, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.*

- iv. upon completion of each purchase of Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Shares so purchased or to retain the Shares so purchased as treasury shares for re-sell on the Bursa Securities in accordance with the relevant rules of the Bursa Securities and/or for distribution as share dividends to the shareholders of the Company or retain part of the Shares so purchased as treasury shares and cancel all or part of them subsequently;*

*AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) or shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any), as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.”*

**ORDINARY  
RESOLUTION 7**

**PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING REVENUE**

Proposed by Mr. William Woon and seconded by Mr. Wong Yu, the shareholders RESOLVED:

*“THAT pursuant to Paragraph 10.09 of the Bursa Securities Main Market Listing Requirements, a mandate be and is hereby granted to allow recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, entered into or to be entered into by the Company and/or its subsidiaries provided that such 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, particulars of which are set out in Section 2.5 Part B of the Circular to Shareholders dated 26 August 2015 AND THAT such approval conferred by the mandate shall continue to be in force until:*

- (a) the conclusion of the next AGM of the Company following this AGM, at which time it shall lapse unless by ordinary resolution passed at general meeting, the mandate is renewed; 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 is earlier.*

*AND THAT the Directors of the Company be and are hereby authorized to complete and do all such acts and things as they may consider expedient and necessary to give effect to the proposed mandate”.*



**CONTINUING IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTORS**

The shareholders' approval was sought for the retention of the following Directors as Independent Non-Executive Directors of the Company:-

- (i) Encik Rezal Zain bin Abdul Rashid (Resolution 8)
- (ii) YBhg Dato' Adnan bin Shamsuddin (Resolution 9)
- (iii) YBhg Datuk Alias bin Ali (Resolution 10)

The Board of Directors of the Company, after having assessed the independence of the Directors who had served as Independent Non-Executive Directors of the Company for more than 9 years, are satisfied that the above-mentioned Directors remain independent and recommended the retention of these Directors as Independent Non-Executive Directors of the Company.

**ORDINARY  
RESOLUTION 8****TO RETAIN ENCIK REZAL ZAIN BIN ABDUL RASHID AS  
INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

Proposed by Mr. Wong Yu and seconded by Encik Nazaruddin Mohd Hadri, the shareholders RESOLVED:

*"That Encik Rezal Zain bin Abdul Rashid, be and is hereby retained as Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting of the Company."*

**ORDINARY  
RESOLUTION 9****TO RETAIN YBHG DATO' ADNAN BIN SHAMSUDDIN AS  
INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY**

Dato' Chairman handed the chairmanship of the Meeting to the Managing Director, Encik Roslan Hamir as Resolution 9 involved the retention of the Chairman, YBhg Dato' Adnan bin Shamsuddin as Independent Non-Executive Director of the Company.

Proposed by Mr. Wan Heng Wah and seconded by Mr. Wong Yu, the shareholders RESOLVED:

*"That YBhg Dato' Adnan bin Shamsuddin, be and is hereby retained as Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting of the Company."*

After declaring Ordinary Resolution 9 carried, the Managing Director handed over the chairmanship to Dato' Chairman for the next item.

**ORDINARY  
RESOLUTION 10**

**TO RETAIN YBHG DATUK ALIAS BIN ALI AS INDEPENDENT NON  
EXECUTIVE DIRECTOR OF THE COMPANY**

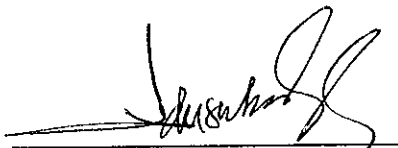
Proposed by Mr. William Woon and seconded by Mr. Wan Heng Wah, the shareholders RESOLVED:

*"That YBhg Datuk Alias bin Ali, be and is hereby retained as Independent Non-Executive Director of the Company until the conclusion of the next annual general meeting of the Company."*

**ANY OTHER MATTERS**

There being no other matters to be deliberated for which due notice had been given, Dato' Chairman thanked the members for their attendance and declared the Meeting closed.

The Meeting adjourned at 12.05 p.m. with a vote of thanks to the Chair.

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**MINUTES CONFIRMED  
BY CHAIRMAN**

Date: 22 September 2015