

FIMA CORPORATION BERHAD

Company No. (197401004110) (21185-P)

SUMMARY OF THE KEY MATTERS DISCUSSED AT 46TH ANNUAL GENERAL MEETING (“AGM”) OF FIMA CORPORATION BERHAD (“THE COMPANY”) CONDUCTED FULLY VIRTUAL THROUGH AN ONLINE MEETING PLATFORM AT <https://meeting.boardroomlimited.my> (DOMAIN REGISTRATION NUMBER WITH MYNIC: D6A357657) PROVIDED BY BOARDROOM SHARE REGISTRARS SDN BHD IN MALAYSIA ON TUESDAY, 21 SEPTEMBER 2021 AT 9.30 A.M.

1. Chairman

Dato’ Adnan bin Shamsuddin (“the Chairman”) chaired the Meeting.

2. Quorum

The requisite quorum being present, the Chairman declared the Meeting duly convened.

3. Notice of Meeting

The Notice convening the Meeting having been circulated within the prescribed period was taken as read.

The Meeting noted that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), all resolutions set out in the Notice of the 46th AGM would be voted by poll.

4. Questions & Answers Session

The following are the key questions that were submitted by the shareholders, which were adequately responded and addressed by the Board:

- (1) How much did the Company spend to hold this virtual AGM? The Company should reward shareholders with e-wallet as a token of appreciation for taking time and interest to participate in the RPV.

The Managing Director replied that the total cost for this virtual AGM is approximately RM27,000. As informed earlier, there would be no distribution of door gifts or vouchers as this AGM is fully virtual. The Company’s main method of rewarding shareholders is via payment of dividends.

- (2) Shareholders Tan Kim Huat and Leo Ann Puat requested for copies of the printed Annual Report to be sent to them.

The Chairman informed that the Company will notify the Share Registrars, Boardroom of this request.

- (3) The material litigation involving PT Nunukan Jaya Lestari (PTNJL) is still on-going. In the worst-case scenario, how many hectares from the original 19,974 ha of HGU will the Group be able to retain and operate assuming the decision is in favour of BPN? Has the

potential loss of the hectareage to be revoked been fully provide for in the accounts?

In the worst-case scenario, the current HGU will be revoked and will be replaced with a new HGU title covering a smaller area of approximately 3,000 ha, which are planted. Further, the disputed areas (excluding the aforementioned planted 3,000 ha area) have been fully impaired in FYE2020.

- (4) Referring to page 124 of the Annual Report, the Group saw a vast improvement in Net Cash Inflow due to an increase in collection from trade and other receivables amounting to RM50.851 million in FYE2021. However, there is still an amount of RM26.533 million under trade receivables which are more than 121 days past due (page 186 of Annual Report). Please provide details on this amount which has been past due and the probability of collection in this financial year.

The Managing Director replied that RM24.975 million relates to the amount being sought from Datasonic Technologies Sdn Bhd (Datasonic), which is still under litigation and judgement is expected to be delivered on 27 September 2021. At this juncture, the Chairman expressed hope that the decision would be in the Group's favour.

The Managing Director continued and informed that the remainder of the sum relates to small accounts which are collectible.

- (5) What is the Company's future outlook? How has the Movement Control Order impacted the Company?

As disclosed in the Group's Q1 FY2021 results recently, almost all of the Manufacturing Division's product segments recorded declines in sales, amid travel restrictions and business/border closures. With regard to the Group's plantation segment, there has not been any significant impact on the Group so far given the strong commodity prices although some of our estates are facing labour supply shortages as a result of the freeze on hiring of foreign workers. The Group Managing Director also informed that the Group's property investment segment has given up to 30% rental discount to its SME tenants in line with the Government's stimulus package. However, the Group will be entitled to tax reliefs on the same.

- (6) For Q1 FY2022, the Group registered smaller profit due to the drop in revenue. What are the reasons for this and what would be the outlook for the next 3 quarters?

The Managing Director replied that (and as mentioned earlier) the Manufacturing Division recorded declines in sales in almost all product segments due to the lower demand, amid travel restrictions and business/border closures. The Group anticipates that the division would be able to catch up as restrictions ease in the second half of the year although they will likely remain below pre-pandemic levels.

Lower revenue was recorded by the plantation segment due to the timing of the CPO shipments completed in Q1 FY2022. The Managing Director also explained that given the reduction in the size of PTNJL's mature areas as a result of cessation of harvesting activities in the disputed/overlapping areas, the Group expects volumes to be slightly lower but this will be mitigated by the strong CPO prices in this current year.

- (7) What is the status of the 2 material litigations against Datasonic for non-payment of 1.5 million copies of passports worth RM24.9 million excluding interest, and the suit against the Indonesian government in relation to our plantation land?

With regard to the claim against Datasonic, the trial was held on 23 and 24 August 2021 and the court has set 27 September 2021 to deliver its decision. In this regard, both parties have filed their closing written submissions on 7 September 2021.

For PTNJL, there is no further update from our last quarterly announcement.

- (8) Does the Company have plans to diversify?

The Managing Director replied that the Company does not have plans to diversify at the moment. The Company's current strategy is to leverage on opportunities in existing market segments where we have the know-how.

5. Voting Results

Having addressed all queries raised and the resolutions voted upon by e-polling, all the following resolutions were duly passed with the results of the e-polling announced accordingly to Bursa Securities on 21 September 2021. The results of the 46th AGM can be obtained at <http://www.fimacorp.com/announcements.php>.

6. Conclusion

There being no other business to be transacted, the Chairman concluded the Meeting at 10.51 a.m. and thanked the members for their support and participation in the proceedings.