FIMACORP AGM – Q&A

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

A. Pre-Meeting Questions

No.	Question/ Comments	Answer / Response
1	Please hold your future AGMs/EGMs in hybrid mode to enable more shareholders to attend.	The Board acknowledges the benefits of hybrid meetings in enhancing shareholder participation. However, such meetings are costly and involve logistical challenges. Nevertheless, the Board remains open to considering hybrid meetings in the future.

B. Live AGM Questions

No.	Question/ Comments	Answer / Response
2.	Congratulations on paying dividend at a minimum same rate as last year. Appreciate the gesture. Why is Plantation Malaysia Malaysia (with approx. 3,500 ha) still recording losses while Plantation Indonesia (approx. 5,000 ha) is doing well?	We have a total six estates in Kelantan, of which two were recently fully matured and the rest are either partially mature, under rehabilitation, or still immature. Barring any unforeseen circumstances, we expect one to become profitable next year. In Kelantan, we are still incurring start-up losses as we pay lease rentals even before generating income. We are hopeful of turning around once the land has been fully developed, although progress is slower compared to owned estates.
3.	Our estates in Kelantan, Terengganu, and Perak are relatively small. How does the Company manage these smaller estates? It does not seem efficient.	The Kelantan estates are small but located near each other. These estates are managed collectively under the same managers allowing for coordinated planning, supervision and sharing of resources. This arrangement enables greater efficiency and cost-effectiveness in operations.
4.	The Manufacturing Division's turnover remains high, but profits are still very low. Why did the Company invest RM50 million in equipment? Why put more resources into this segment instead of 'pulling the handbrake' and slowing down?	The RM50 million investment was made towards the end of FYE2025 to acquire a digital printing machine that will support the division's long-term growth. As the investment was completed late in the year, results from this investment are expected to be reflected from Q3 FY2026 onwards.
5.	What is the Manufacturing Division's local versus overseas sales ratio?	Currently, approximately 80% of sales are derived from the local market and 20% from overseas. The Company is targeting to increase overseas contribution to about 30% going forward.
6.	Does the Group still produce passports? What about driving licences?	The Group only produce passports for the overseas markets (5 countries).

No.	Question/ Comments	Answer / Response
		In respect of driving licences, we are currently producing the renewal slips. At present, we did not secure the main driving licence contract. The digital driving licences are done by JPJ themselves.
7.	What is the status of the litigation case against Datasonic Technologies?	The matter was fully resolved in 2022, with settlement concluded and payment received.
8.	What is the status of PTNJL's land litigation case?	There are no longer any litigation cases pertaining to the land matter. PTNJL's application for Pelepasan Hutan in respect of the planted areas within the forest area, and the issuance of the corresponding land title, is currently pending.
9.	Why is KFIMA Group's Sarawak estate not under FimaCorp? Why the split?	At the time of acquisition, FimaCorp did not have the resources to acquire the estate. However, operationally, KFIMA Group plantation are managed by FimaCorp.
10.	Please explain the drop in Q1 FY2026 results.	The quarterly fluctuations are primarily attributable to the timing of crude palm oil (CPO) shipments at PTNJL. For your information, CPO is delivered by barge, with each shipment amounting to approximately 3,000 MT. Accordingly, the number of shipments handled in a given quarter has a direct impact on revenue recognition for that period. Hence, fewer shipments in Q1 FY2026 compared to Q4 FYE2025 resulted in variances between the two quarters' results.
11.	Thank you for making available to shareholders the hard copy of the Annual report. Most appreciated. Thank you also for the consistent dividend payment. There were 412 new hires in FYE2025 – can you clarify?	Most new hires are by the Plantation Division due to contract expiry.
12.	Why is there a difference between retained earnings of RM459 million reported in page 135 and the retained earnings RM230.32 million on page 136?	The retained earnings on page 135 relate to the Group's retained earnings, whereas the figure of RM230.32 million on page 136 reflects the Company's retained earnings.

No.	Question/ Comments	Answer / Response
13.	Retained profits are almost double the size of the Company's share capital. Perhaps the Board can consider rewarding shareholders in light of its 50th year. Does the Board have anything in mind for shareholders?	At this juncture, there are no specific plans. However, historically the Company has undertaken bonus issues on six occasions. The Board takes note of the shareholder's comments and will give due consideration to the suggestion.
14.	Will the government's expansion of SST have any impact on the Group?	The impact is minimal. The biggest cost component is the transportation of FFB, which is already subject to SST.
	Are we engaging local to do harvesting?	Yes, but the numbers are relatively small. Ladang Kuala Betis even employs Orang Asli. Locals, particularly the younger generation, tend to prefer piece-rated work and prefer staying near estates rather than at remote locations.
15.	The Company's policy is 40% PATANCI dividend payout. Why not increase this to 50–60%?	As highlighted in the MD's presentation, the Company has been paying dividends consistently above the 40% rate in the past. For instance, the Company paid out 93.2% of its PATANCI as dividends for the current FYE2025. In FYE2022, a special dividend was also paid. The Board will endeavour to sustain dividend payments on a consistent basis going forward.
16.	What is percentage of the Plantation Division's contribution to Group profits? What about the OER rate?	The Plantation Division contributed 98.9% to Group profit, as disclosed on page 22 of the Annual Report. Plantation statistics, including the OER, yields and other related metrics are set out on page 32 of the Annual Report. The division will continue to take measures to improve yields, particularly from the newly developed estates.