

FIMA CORPORATION BERHAD
(Company No. 21185-P)

SUMMARY OF MINUTES OF
THE 43RD ANNUAL GENERAL MEETING

VENUE : DEWAN BERJAYA
BUKIT KIARA EQUESTRIAN & COUNTRY RESORT
JALAN BUKIT KIARA, OFF JALAN DAMANSARA
60000 KUALA LUMPUR

DATE/TIME : THURSDAY, 30 AUGUST 2018 AT 9.30 A.M.

1. OPENING REMARKS

The Chairman welcomed shareholders, proxies and invitees to the Company's 43rd Annual General Meeting ("43rd AGM" or the "Meeting").

The Chairman proceeded to introduce the Directors, Company Secretaries and external auditors Messrs Hanafiah Raslan & Mohamad who were in attendance, to the members present. The Chairman also extended Datuk Alias bin Ali's apologies for not being able to attend the Meeting due to unforeseeable circumstances.

2. QUORUM

Upon confirming the presence of the requisite quorum by the Secretary, the Chairman called the Meeting to order at 9.30 a.m.

3. VOTING PROCEDURES

The Chairman advised that the voting of all resolutions would be conducted on a poll by way of electronic polling (e-polling). The Chairman informed that the Company had appointed Symphony Share Registrars Sdn Bhd as Poll Administrator to conduct the polling process and Symphony Corporatehouse Sdn Bhd as independent scrutineers to validate the poll results. The polling process for the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the 43rd AGM.

The Chairman further informed that where he has been appointed as proxy with discretion as to how to vote as proxyholder, he intends to vote in favour of all resolutions.

4. NOTICE OF MEETING

The members present agreed unanimously with the Chairman's proposal that the notice convening the Meeting, which had been sent and circulated within the prescribed time, be taken as read.

5. AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 ("FYE2018") AND THE DIRECTORS' AND AUDITORS' REPORTS THEREON

The Audited Financial Statements for FYE2018 and the Director's and Auditor's Reports thereon were tabled to the Meeting.

The Chairman informed the Meeting that the Audited Financial Statements together with the Director's and Auditor's Reports were meant for discussion only as it did not require a formal approval of the shareholders as stipulated under Section 340(1)(a) of the Companies Act, 2016 and Article 156 of the Company's Constitution and hence, it would not be put forward for voting.

The Chairman then invited questions from the floor on the Audited Financial Statements for FYE2018. Among the pertinent issues raised by the shareholders/proxies were responded by the Board as follows:

- (1) Whether there would be a reversal of the impairments given that the Mahkamah Agung's ruling was in favour of PT Nunukan Jaya Lestari ("PTNJL"). If yes, when can the reversal be made?

The Managing Director replied that the Mahkamah Agung's decision is now enforceable and the reversal of the impairment would be made once the computation of the amounts to be written back, which is currently being done in consultation with PTNJL's advisors, is completed.

- (2) What is the size of PTNJL's planted area located within the areas overlapping with third party interests and whether the 3,500 hectares is to be excised from PTNJL's current HGU? And how many hectares of the unplanted area measuring approximately 13,000 hectares are plantable?

Out of the 3,500 hectares to be excised from the HGU, approximately 800 hectares are planted. The Company estimates that approximately 6,000 hectares out of the 13,000 hectares of the unplanted area can be planted with oil palm. Nevertheless, PTNJL would need to apply for and procure the necessary approvals before development works can commence.

- (3) What is the current status of the Group's greenfield estate at Sungai Siput? Any potential risks given the recent change in government following the recent general elections?

Land development and rezoning approvals from the various authorities have been obtained after much delay. The detailed environmental impact assessment exercise, which among others involves the participation of and review by 9 different government agencies, is currently ongoing. The Company is hopeful that the EIA exercise can be completed by the end of this financial year.

The Company does not foresee any significant post-election risks as the sub-lease of the estate has been duly registered the rental thereof is paid to the sub-lessor, PKEINPk Sdn Bhd.

- (4) Has the Group made the necessary provisions in the books with regards to Percetakan Keselamatan Nasional Sdn Bhd's ("PKN") RM24.98 million lawsuit against Datasonic Technologies Sdn Bhd ("DTSB")?

The Group has made adequate provisions in relation to the said lawsuit. In any event, should the final outcome of the lawsuit be unfavourable to the Group, the impact on the Group's profit & loss is not expected to be material.

- (5) Why did PKN agree to supply the passport booklets to DTSB when the pricing had not been agreed to between the parties? Did we lose the travel document business due to technology?

The Chairman explained that since the matter is currently pending before the court, it would not be proper for the Board to comment or go into the details.

It was also explained that the new and previous travel document do not differ much. PKN is primarily a bookmaker, and therefore has the necessary competencies and proficiency to do what its competitors can do.

- (6) What is the Group's outlook and strategy for its plantation and manufacturing sectors?

The Managing Director responded that the Company is confident of the plantation sector's growth momentum as more areas in the Group's greenfield estates are beginning to attain maturity. Although the earnings of these new estates will experience some pressure as a result of the development expenditure incurred (i.e. rehabilitation and planting), the Company is hopeful that the estates can provide favourable returns in 3 years' time.

As regards the manufacturing division, the emphasis would be on trying to win major contracts from key customers but the same were not expected to be forthcoming in the immediate term given that security products have an average lifespan of 5 years. Moreover, high value government contracts are now subject to formal tendering processes and in this regard the division will endeavor to participate and bid for such contracts as and when they are opened for tender, both locally and overseas. The Managing Director shared that PKN had recently secured a new contract overseas but the contribution therefrom is smaller and since the margins from the overseas segments tend to be lower, there would not be any significant impact to PKN's bottomline.

- (7) Given the advances in cashless payment technology i.e. shift to alternative payment methods such as "e-money" and "e-wallet", is the demand for banknotes expected to decline?

The Managing Director responded that the global demand for banknotes has proven remarkably resilient; in fact, the total volume of banknotes printed globally grew slightly this year compared to last year due to population growth, among other factors. While it is hard to predict what the trend for banknotes will be, the Managing Director expressed confidence that the volumes can be sustained.

- (8) Referring to page 178 of the Annual Report, it was suggested that the Company consider distributing the shares in the Share Buy Back Account back to the shareholders, in view that the said account held the second largest number of shares in the Company.

The Chairman took note of the suggestion on the share distribution exercise.

With that, the Chairman concluded the question and answer session for Agenda 1 and proceeded to the formal business of the Meeting.

6. ANY OTHER BUSINESS

The Chairman informed that the Company Secretary has confirmed that the Company had not received any notice for transaction of any other business at the Meeting.

7. POLLING PROCESS

The Chairman declared that the registration for attendance at the 43rd AGM be closed at 10.25 a.m. and then adjourned the Meeting for the e-polling process. The members were informed to proceed to the polling stations located at the foyer to cast their votes and were requested to return to their seats after e-polling for the declaration of the poll results.

8. ANNOUNCEMENT OF POLL RESULTS

At 10.45 a.m., the Chairman called the Meeting to order for the declaration of poll results and read out the poll results for the 43rd AGM of the Company.

(The poll results were also projected on screen).

AGENDA	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
<p><u>ORDINARY RESOLUTION 1</u></p> <p>To approve the payment of a final dividend of 7.5 sen under the single-tier system in respect of the financial year ended 31 March 2018 as recommended by the Directors.</p>	153,078,215	100	0	0.0000
<p><u>ORDINARY RESOLUTION 2</u></p> <p>To re-elect Encik Rezal Zain bin Abdul Rashid, who retires pursuant to Article 113 of the Company's Constitution.</p>	153,061,915	99.9926	11,300	0.0074
<p><u>ORDINARY RESOLUTION 3</u></p> <p>To re-elect Dato' Roslan bin Hamir, who retires pursuant to Article 113 of the Company's Constitution.</p>	153,072,715	99.9964	5,500	0.0036
<p><u>ORDINARY RESOLUTION 4</u></p> <p>To approve the payment of Directors' fees for the Non-Executive Directors of the Company for the ensuing financial year.</p>	152,902,615	99.9980	3,000	0.0020
<p><u>ORDINARY RESOLUTION 5</u></p> <p>To approve the payment of Directors' fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 31 August 2018 until the conclusion of the next AGM of the Company.</p>	152,900,115	99.9964	5,500	0.0036

AGENDA	FOR		FOR	
	No. of Shares	%	No. of Shares	%
<p><u>ORDINARY RESOLUTION 6</u></p> <p>To approve the payment of Directors' remuneration (excluding Directors' fees) for the Non-Executive Directors from 31 August 2018 until the conclusion of the next AGM of the Company.</p>	152,900,115	99.9964	5,500	0.0036
<p><u>ORDINARY RESOLUTION 7</u></p> <p>To re-appoint Messrs Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration.</p>	153,075,215	99.9980	3,000	0.0020
<p><u>ORDINARY RESOLUTION 8</u></p> <p>Proposed renewal shareholders' mandate for recurrent related party transactions of a revenue or trading nature.</p>	153,078,215	100	0	0.0000
<p><u>ORDINARY RESOLUTION 9</u></p> <p>Renewal of authority for the Company to purchase its own shares up to 10% of the issued shares of the Company.</p>	153,066,915	99.9926	11,300	0.0074
<p><u>ORDINARY RESOLUTION 10</u></p> <p>Authority for Encik Rezal Zain bin Abdul Rashid to continue in office as Independent Non-Executive Director.</p>	153,061,915	99.9926	11,300	0.0074
<p><u>ORDINARY RESOLUTION 11</u></p> <p>Authority for Dato' Adnan bin Shamsuddin to continue in office as Independent Non-Executive Director.</p>	153,078,215	100	0	0.0000

AGENDA	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
<u>SPECIAL RESOLUTION 12</u> Adoption of a new Constitution of the Company in place of the existing Memorandum & Articles of Association	153,078,215	100	0	0.0000

9. CLOSURE OF MEETING

Before declaring the Meeting closed, the Chairman, on behalf of the Board and Group management, thanked Datuk Alias bin Ali who would be retiring from the Board immediately upon the conclusion of this Meeting, for his valuable insights and service throughout his 14 year tenure as the Company’s Independent Non-Executive Director. With that, the Chairman declared the Meeting closed and thanked the members for their attendance.

The Meeting adjourned at 10.47 a.m..