

KUMPULAN FIMA BERHAD
Company No. 197201000167 (11817-V)

MINUTES OF THE 53RD ANNUAL GENERAL MEETING OF KUMPULAN FIMA BERHAD
HELD ON THURSDAY, 28 AUGUST 2025 AT 3.00 P.M. AT DEWAN BERJAYA, BUKIT KIARA
EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA, OFF JALAN DAMANSARA,
60000 KUALA LUMPUR. (“AGM” or the “Meeting”)

PRESENT

Board of Directors:

Dato’ Idris bin Kechot	-	Chairman
Dato’ Roslan bin Hamir	-	Group Managing Director
Datuk Anuar bin Ahmad		
Puan Rozana Zeti bt Basir		
Dato’ Rosman bin Abdullah		
Datin Rozilawati bt Haji Basir		
Mr. Danny Hoe Kam Thong		

In Attendance:

Encik Fadzil bin Azaha	-	Company Secretary/ Chief Financial Officer
Puan Jasmin bt Hood	-	Company Secretary
Encik Abdul Hadi bin Gonawan	-	Messrs. Ernst & Young PLT (Audit Partner)
Share Registrar/Poll Administrators	-	Boardroom Share Registrars Sdn Bhd
Scrutineers	-	SKY Corporate Services Sdn Bhd

BY INVITATION

Members/Proxies	-	As per attendance list
Other invitees	-	As per attendance list

OPENING REMARKS

The Chairman, Dato’ Idris bin Kechot extended a warm welcome to all members and invitees to the Company’s 53rd Annual General Meeting (“AGM” or the “Meeting”).

The Meeting then proceeded with the recitation of a short doa led by Haji Mohamad Jamil bin Zolkifly.

The Chairman reminded everyone that the AGM registration would remain open until the end of the Questions & Answers session, and the e-polling platform would be opened from the commencement of the AGM.

The Chairman then proceeded to introduce each member of the Board, the Company Secretaries, external auditors, poll administrators, as well as the scrutineers who were in attendance.

QUORUM

Upon confirmation by the Company Secretary that there was requisite quorum present, the Chairman called the Meeting to order.

The Chairman informed the Meeting that the Company has received in total 188 proxy forms from shareholders for a total of 126,871,067 ordinary shares representing 45.47% of the issued share capital of the Company. Of these, shareholders of 124,752,758 shares have appointed the Chairman of the Meeting as proxy to vote on their behalf.

NOTICE OF MEETING

The Notice of the Meeting dated 31 July 2025, having been circulated to shareholders within the prescribed period was taken as read.

VOTING PROCEDURES

The Chairman informed the members that the voting of all resolutions would be conducted via a poll using electronic polling methods. Boardroom Share Registrars Sdn Bhd has been appointed as the Poll Administrator to conduct the electronic poll voting process and SKY Corporate Services Sdn Bhd as Scrutineers to verify the poll results. The Chairman then invited the shareholders and proxy holders to view pre-recorded video presentation on the e-polling process.

The members were notified that e-polling has been opened and would remain accessible until end of the e-polling session, which would be announced at a later time. Members could vote using their own personal smartphone or tablet, or cast their vote at the e-polling kiosks located at the registration area.

The Chairman further informed that in his capacity as Chairman of the Meeting, where a proxy vote has been given to him without voting instructions, he would vote in favour of each resolution. The polling process for the resolutions would take place following the completion of the deliberation of all items to be transacted during the AGM.

CHAIRMAN'S OPENING REMARKS AND GROUP MANAGING DIRECTOR'S PRESENTATION

The Chairman briefly outlined the Group's financial performance for FYE2025 where the Group recorded:

- Revenue of RM683.39 million;
- A profit before tax of RM193.06 million (+57.5% year-on-year);
- Growth across Bulking, Plantation and Food divisions supported by operational efficiencies.

The Chairman further stated that the dividend payout for FYE2025 reflected the Group's commitment to creating sustainable shareholder value, and the resilience of the Group in staying focused on executing growth strategies, navigating competition, currency volatility and shifting regulatory landscape.

The Chairman thereafter invited the Group Managing Director, Dato' Roslan bin Hamir to present the highlights of the Group's FYE2025 performance to the Meeting. The Group Managing Director then went on to provide updates on the Group's performance for FYE2025, focusing on the following areas: overview of FYE2025 achievements, financial performance, sustainability initiatives and strategic outlook for each division.

The Chairman thanked Group Managing Director for his presentation. The Chairman emphasized that despite ongoing market conditions presenting both opportunities and challenges, the Company remains committed to strengthening its existing portfolios, expanding its footprint and sustaining cost-optimisation and efficiency programmes.

The Chairman also recorded the Board's appreciation of the significant contributions of the Group's Management and employees, under the leadership of Dato' Roslan, towards the Group's success. The Chairman also extending the Board's appreciation of the significant contributions made by the Group's management team and employees under the leadership of Dato' Roslan, which have been instrumental in achieving the Group's success.

QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP

The Chairman informed that the Company has received a list of questions particularly on areas of operational and financial, sustainability and corporate governance from the Minority Shareholder Watch Group ("MSWG") via their letter dated 22 August 2025. The Chairman invited the Chief Financial Officer/Company Secretary, Encik Fadzil bin Azaha to present the Company's responses to MSWG's questions. Encik Fadzil provided the Company's written replies in response to the all questions raised by MSWG and these responses were displayed on the screen during the presentation.

The reply to MSWG is attached as Appendix I of these Minutes.

AGENDA 1 TO RECEIVE THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 AND THE DIRECTORS' AND AUDITORS' REPORTS THEREON

The Chairman proceeded with the tabling of the Audited Financial Statements for the financial year ended 31 March 2025 and the Director's and Auditor's Reports thereon ("AFS").

The Chairman explained that the AFS would not be put to vote as it did not require a formal approval of the shareholders and was meant for discussion only, and for the Board to address any queries during the Questions and Answers session.

Moreover, the Company's external auditors Messrs. Ernst & Yong PLT ("EY PLT") had in their Auditors Report concluded that the AFS give a true and fair view of the financial position of the Company and Group as at 31 March 2025. Representatives from EY PLT were also present during the Q&A session to address any questions regarding the audit and related matters.

The Chairman concluded the receipt of the AFS and proceeded to the next agenda which was to seek shareholders' approval on the re-election of

directors.

**AGENDA 2:
ORDINARY
RESOLUTION 1** **TO RE-ELECT DATO' ROSLAN BIN HAMIR, WHO RETIRES BY
ROTATION IN ACCORDANCE WITH ARTICLE 102 OF THE
COMPANY'S CONSTITUTION.**

**AGENDA 2:
ORDINARY
RESOLUTION 2** **TO RE-ELECT MR DANNY HOE KAM THONG, WHO RETIRES BY
ROTATION IN ACCORDANCE WITH ARTICLE 102 OF THE
COMPANY'S CONSTITUTION.**

Ordinary Resolutions 1 and 2 relate the re-election of Dato' Roslan bin Hamir and Mr. Danny Hoe Kam Thong, who retire by rotation pursuant to Article 102 of the Company's Constitution, and being eligible, offers themselves for re-election.

Based on the 2025 Board Effectiveness Evaluation results, the Nomination and Remuneration Committee and the Board were satisfied that Dato' Roslan and Mr. Danny have diligently discharged their responsibilities and accordingly, recommended their re-election as Director of the Company.

The Chairman then requested a seconder for Ordinary Resolution 1 and Ordinary Resolution 2.

Ordinary Resolution 1 and Ordinary Resolution 2 were duly seconded by Irman bin Abdul Shukor.

**AGENDA 3:
ORDINARY
RESOLUTION 3** **TO APPROVE THE PAYMENT OF DIRECTORS' FEES FOR EACH
OF THE NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR
THE ENSUING FINANCIAL YEAR.**

Ordinary Resolution 3 relates to the payment of Directors' fees for each of the Non-Executive Directors amounting to RM495,000 for the ensuing financial year.

Ordinary Resolution 3 was duly proposed by Jasmin bt Hood and seconded by Muniandy Karishnan.

**AGENDA 4:
ORDINARY
RESOLUTION 4** **TO APPROVE THE PAYMENT OF DIRECTORS' FEES FOR EACH
OF THE NON-EXECUTIVE DIRECTORS WHO SIT ON THE
BOARDS OF KFIMA SUBSIDIARIES FROM 29 AUGUST 2025 UNTIL
THE CONCLUSION OF THE NEXT AGM OF THE COMPANY.**

The Chairman informed that the Ordinary Resolution 4 relates to the payment of Directors' fees for each of the Non-Executive Directors who sit on the Boards of KFima subsidiaries at an estimated amount of RM36,000 from 29 August 2025 until the conclusion of the next AGM of the Company.

Ordinary Resolution 4 was duly proposed by Jasmin bt Hood and seconded by Neoh Jia En.

AGENDA 5: TO APPROVE THE PAYMENT OF DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) FOR THE NON-EXECUTIVE DIRECTORS FROM 29 AUGUST 2025 UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY

Ordinary Resolution 5 was to seek shareholders' approval on the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors at an estimated amount of RM1,024,000 from 29 August 2025 until the conclusion of the next AGM of the Company.

Ordinary Resolution 5 was duly proposed by Irman bin Abdul Shukor and seconded by Teh Kian Lang.

The Chairman proceeded to the next agenda.

AGENDA 6: TO RE-APPOINT MESSRS. ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 MARCH 2026 AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION

The Chairman moved Ordinary Resolution 6 on the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2026 and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors

Ordinary Resolution 6 was duly seconded by Muniandy Karishnan.

SPECIAL BUSINESS

AGENDA 7: PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman moved Ordinary Resolution 7, being a special business, to obtain a general mandate from shareholders for recurrent related party transaction of a revenue or trading nature with related parties, as set out in the Company's Circular/Statement to Shareholders dated 31 July 2025, and to authorise the Directors to complete and do all such acts necessary to give effect to such mandate until the next Annual General Meeting.

The Chairman informed that all major shareholders, Directors and persons connected to them who are deemed interested in this resolution will abstain from voting.

Ordinary Resolution 7 was duly seconded by Mohd Yusof bin Pandak Yatim. The Chairman then proceeded to Ordinary Resolution 8.

**AGENDA 8:
ORDINARY
RESOLUTION 8**

PROPOSED RENEWAL OF THE AUTHORITY FOR SHARES BUY-BACK

The Chairman moved Ordinary Resolution 8 to seek shareholders' approval for the renewal of authority for the Company to purchase its own shares up to 10% of its total number of issued share capital, and to authorise the Directors to complete and do all such act and things as they may deem fit and expedient in the best interest of the Company, subject to the compliance with all applicable laws, regulations and guidelines.

Ordinary Resolution 8, was duly seconded by Irman bin Abdul Shukor.

QUESTIONS & ANSWERS SESSION

As all resolutions have been tabled, the Chairman informed that the Meeting will now proceed with the Questions and Answers (Q&A) session. The Chairman informed that the Company received 2 questions from the shareholders which were submitted through Boardroom Smart Investor Portal.

The Chairman then opened the Q&A session and invited questions from the floor. The questions together with the responses thereto are set out in Appendix II of these Minutes.

The Chairman thanked all shareholders for the questions raised during the Meeting. With that, the Chairman declared the Q&A session closed and proceeded with the poll voting session.

ANY OTHER BUSINESS

The Chairman informed that the Company Secretary has confirmed that there was no other ordinary business of the Meeting of which due notice had been received.

POLLING PROCESS

The Chairman declared that the registration for attendance at the 53rd AGM be closed at 4.20 p.m. The Chairman announced that an additional 10 minutes would be provided for shareholders to cast their votes and 20 minutes for the independent scrutineers to verify the polling results.

ANNOUNCEMENT OF POLL RESULTS

The AGM was re-convened at 4.50 p.m. and the Chairman called the meeting to order for the declaration of the results.

Based on the poll results verified and validated by the Scrutineers, the Chairman proceeded to read out the poll results as displayed on the screen as follows:

Ordinary Resolution 1

The Chairman announced the poll result in respect of Ordinary Resolution 1 as carried:

Poll Results	Number of Holdings	%	Number of Shareholders
For	178,289,657	99.9465	175
Against	95,460	0.0535	10

RESOLVED That Dato' Roslan bin Hamir, who retired pursuant to Article 102 of the Company's Constitution, be re-elected as a Director of the Company.

Ordinary Resolution 2

The Chairman announced the poll result in respect of Ordinary Resolution 2 as carried:

Poll Results	Number of Holdings	%	Number of Shareholders
For	179,469,352	99.5083	171
Against	886,765	0.4917	15

RESOLVED That Mr. Danny Hoe Kam Thong, who retired pursuant to Article 102 of the Company's Constitution, be re-elected as a Director of the Company.

Ordinary Resolution 3

The Chairman announced the poll result in respect of Ordinary Resolution 3 as carried:

Poll Results	Number of Holdings	%	Number of Shareholders
For	128,431,403	99.9588	169
Against	52,914	0.0412	12

RESOLVED That the payment of Directors' fees for each of the Non-Executive Directors of the Company for the ensuing financial year amounting to RM495,000, be approved and that they be paid in the manner determined by the Board of Directors.

Ordinary Resolution 4

The Chairman announced the poll result in respect of Ordinary Resolution 4 as carried:

Poll Results	Number of Holdings	%	Number of Shareholders
For	180,345,203	99.9707	176
Against	52,914	0.0293	12

RESOLVED That the payment of Directors' fees for each of the Non-Executive Directors who sit on the Boards of KFima subsidiaries at an estimated amount of RM36,000 from 29 August 2025 until the conclusion of the next AGM of the Company, be approved

Ordinary Resolution 5

The Chairman announced the poll result in respect of Ordinary Resolution 5 as carried:

Poll Results	Number of Holdings	%	Number of Shareholders
For	128,442,403	99.9674	170
Against	41,914	0.0326	11

RESOLVED That the payment of Directors' remuneration (excluding Directors' fees) for the Non-Executive Directors at an estimated amount of RM1,024,000 from 29 August 2025 until the conclusion of the next AGM of the Company, be approved.

Ordinary Resolution 6

The Chairman announced the poll result in respect of Ordinary Resolution 6 as carried:

Poll Results	Number of Holdings	%	Number of Shareholders
For	180,386,507	99.9947	180
Against	9,610	0.0053	7

RESOLVED That Messrs. Ernst & Young PLT be re-appointed as Auditors of the Company for the financial year ending 31 March 2026 and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors.

Ordinary Resolution 7

The Chairman announced the poll result in respect of Ordinary Resolution 7 as carried:

Poll Results	Number of Holdings	%	Number of Shareholders
For	16,476,807	99.9175	164
Against	13,610	0.0825	9

RESOLVED That pursuant to Paragraph 10.09 of Bursa Malaysia Securities Berhad ("Bursa") Main Market Listing Requirements ("Listing Requirements"), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as stated in Section 2.4 Part A of the Company's Circular/Statement to Shareholders dated 31 July 2025 which are necessary for the day-to-day operations of the Company and/or its subsidiaries, provided that such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

That such approval shall continue to be in full force and effect until:

- (i) the conclusion of the next AGM of the Company, at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general

- meeting; or
- (ii) the expiration of the period within which the Company's next AGM is required to be held under Section 340(1) of the Companies Act, 2016 ("the Act") (but shall not extend to such extension as may be allowed under Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier, and that the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution.

Ordinary Resolution 8

The Chairman announced the poll result in respect of Ordinary Resolution 8 as carried:

Poll Results	Number of Holdings	%	Number of Shareholders
For	180,371,982	99.9886	176
Against	20,610	0.0114	12

RESOLVED That subject to compliance with the Act, the Bursa Listing Requirements, provisions of the Company's Constitution, and all other applicable laws, guidelines, rules and regulations, approval and authority be and are hereby given to the Directors of the Company, to the extent permitted by law, to purchase such number of ordinary shares in KFima ("KFima Shares") as may be determined by the Directors from time to time through Bursa upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the maximum aggregate number of KFima Shares which may be purchased and/or held by the Company shall not exceed 10% of the issued share capital of the Company at any time; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company for the time being.

That the Directors be and are hereby authorised to deal with the KFima Shares so purchased at their discretion, in the following manner:

- (i) cancel the KFima Shares so purchased; or
- (ii) retain the KFima Shares so purchased as treasury shares which may be dealt with in accordance with Section 127(7) of the Act; or
- (iii) retain part of the KFima Shares so purchased as treasury shares and cancel the remainder of the KFima Shares,

or in any other manner as may be prescribed by the Act, all applicable laws, regulations and guidelines applied from time to time by Bursa and/or other relevant authority for the time being in force and that the authority to deal with the purchased KFima Shares shall continue to be valid until all the purchased KFima Shares have been dealt with by the Directors of the Company;

That the authority conferred by this resolution shall be effective immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company, 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
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) 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 Bursa Listing Requirements or any other relevant authorities;

and further that the Board be and is hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the purchase by the Company of its own shares with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities.

ANY OTHER BUSINESS

The Chairman informed that the Company Secretary has confirmed that there was no other ordinary business of the Meeting of which due notice had been received.

CLOSURE OF MEETING

The Chairman concluded the Meeting and thanked the members for their attendance and declared the Meeting closed.

The Meeting adjourned at 5.25 p.m. with a vote of thanks to the Chairman.

MINUTES CONFIRMED BY:



CHAIRMAN DATO' IDRIS BIN KECHOT

DATE: 27/11/25

KUMPULAN FIMA BERHAD (11817-V)

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TEL: (603) - 2092 1211 FAX: (603) - 2092 5754
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27 August 2025

Badan Pengawas Pemegang Saham Minoriti Berhad
Level 23, Unit 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur

BY FAX/EMAIL

Attn: Dr. Ismet Yusoff

Dear Sir,

RE: 53rd ANNUAL GENERAL MEETING (AGM) OF KUMPULAN FIMA BERHAD (KFIMA)

We refer to your letter dated 22 August 2025 and append herewith our clarification on the following points and queries raised in your letter as follows:

Operational & Financial Matters

1. *The Bulking division's core liquid bulking and logistics operations performed strongly, with a 20.2% increase in revenue. This growth was driven by higher contributions from technical fats, used cooking oil, and various non-core products. Additional factors supporting the performance included expanded tankage capacity, an improved product mix, higher tank occupancy and rental rates, as well as increased throughput volumes. (page 23 of AR 2025)*

(a) *Q. How confident is the Management that the good performance of the Bulking division may sustain or even be surpassed in FY 2026? If the Management is positive, please elaborate on the key drivers or factors.*

A. Management remains cautiously optimistic that the Bulking division's strong performance can be sustained into FY2026. Demand for technical fats, used cooking oil, and specialty products continues to be resilient, supported by regional trade flows and customer requirements. Key drivers include:

- Higher utilisation of our expanded tankage capacity.
- Steady throughput volumes from long-term customers and diversified product mix.
- Ongoing focus on operational efficiency, cost optimisation, and service reliability.
- Favourable rental rates environment, underpinned by healthy demand for storage space in the region.

We have been focusing on securing long-term contracts (> 3 years) with our clients, and to date, approximately 70% of our tanks are under such arrangements. This provides stability and minimises volatility in occupancy rates.

That said, Management continues to monitor global trade dynamics, commodity flows, and regulatory changes to ensure sustainable growth.

(b) *Q. What is the current utilisation rate of the tankage? What was the last percentage increase in expanded tankage capacity and what are the plans for further increase in capacity?*

A. The current utilisation rate of the Group's tankage is approximately 85%, reflecting strong demand across multiple product segments. The most recent capacity expansion at Tanjung Langsat added 21 tanks with a total volume of 45,900m³ representing an

8% increase in June 2025, which has already contributed positively to occupancy and throughput.

Looking ahead, the Division is exploring further incremental expansions in strategic locations, as well as optimising existing land, guided by customer demand and long-term contracts to ensure that new capacity is effectively absorbed.

(c) Q. *What was the average percentage increase in rental rates? On average, how often can the Company revise the rates?*

A. The recent rental adjustment was made in line with market conditions, product type, and demand-supply dynamics. Reviews are done annually or at contract renewal, ensuring we stay competitive while sustaining value for our customers and shareholders.

2. *Indonesia's palm oil sector is facing stagnating production growth amid increasing domestic and global demand. The government's continued expansion of its biodiesel mandate has raised local consumption, notably for energy use. The Indonesian Palm Oil Association ("GAPKI") projects 2025 production to reach 53.6 million tonnes. However, exports are expected to decline to 27.5 million tonnes (2024: 29.5 million tonnes), reflecting growing domestic demand and supply constraints. (page 27 of AR 2025)*

Q. *To what extent would the Group be negatively impacted by these issues/challenges, and what measures would the Group take to manage them?*

A. The Group's Indonesian subsidiary, which operates a palm oil mill and sells CPO and CPKO domestically, is expected to be directly affected by recent policy developments and market dynamics. Selling prices may face some pressure from higher export duties and levies, as well as the government's policy shift to prioritise domestic consumption under the expanded biodiesel mandate. Nonetheless, stronger domestic demand provides a relatively stable outlet for our products.

To address these challenges, the Indonesian operations remain focused on operational efficiency and cost management. Key measures include optimising estate productivity through improved agronomic practices, adopting mechanisation and digitalisation where feasible, and exercising prudent cost control across both estate and mill operations. We are also enhancing our yield improvement programmes to strengthen long-term sustainability and competitiveness.

Meanwhile, our Malaysian plantation operations, which are limited to FFB sales without milling facilities, are expected to benefit indirectly from supply constraints in Indonesia. The anticipated tightening of exports is likely to support international palm oil prices, translating into firmer FFB prices in Malaysia. Taken together, the opposing impacts in both geographies are expected to balance out, and as such, the overall impact on the Group is expected to be minimal.

3. *Biodiesel segment faced a difficult operating landscape in FY2025, with persistent market headwinds weighing on its performance. For the year, this segment recorded a pre-tax loss of RM1.90 million, primarily due to idle plant capacity and overhead costs. Recent reports indicate that the outlook for biofuels and biodiesel markets remains robust, supported by increasing mandates in sectors like aviation and maritime. (page 33 of AR 2025)*

(a) Q. *What exactly were the headwinds and factors that caused the segment to perform so badly that the Group recorded zero sales in FY2025 compared to RM52.4 million in FY 2024 (as stated on page 183 of AR 2025)?*

A. The Biodiesel segment's weak performance in FY2025 was mainly due to a combination of structural and market headwinds, including:

- **Feedstock processing requirements** – Our current plant configuration is not fully optimised to handle certain types of waste feedstock required for the European market. To address this, we plan to invest in a pretreatment facility that will broaden our feedstock flexibility and enhance competitiveness going forward.
- **Unfavourable market economics** – Declining price spreads between feedstock (palm oil) and biodiesel selling prices made production unviable.
- **High input costs** – Volatility in crude palm oil (CPO) prices, coupled with elevated energy and utility costs, further compressed margins.
- **Weak demand conditions** – Demand in key export markets remained subdued due to changing policies, oversupply, and competitive pricing pressures from other biodiesel-producing countries.
- **Idle capacity impact** – With zero sales during the year, fixed overhead costs and depreciation of the biodiesel plant weighed heavily on segment results.
- **Regulatory changes** – Revisions to the GHG calculation methodology under ISCC certification, particularly changes in emission factors, reduced our GHG savings to below the 80% threshold typically required by European customers.
- **Domestic market access** – The Group did not secure a Malaysian Government biodiesel supply mandate in FY2025.

As a result of these factors, the segment recorded a pre-tax loss of RM1.90 million in FY2025.

(b) **Q.** *Considering that recent reports indicate that the outlook for the biofuels and biodiesel markets remains robust, what is the probability of the segment turning around and being profitable in FY2026? In view of this, what are the Management's plans in evaluating strategic options to enhance the segment's viability?*

A. Management acknowledges that the medium- to long-term outlook for the biofuels sector remains promising, particularly with regulatory mandates expanding into aviation, maritime, and industrial sectors. However, the timing and magnitude of a turnaround in FY2026 will depend heavily on feedstock price stability, government policy support, and market competitiveness.

To position the segment for recovery, Management is actively evaluating strategic options, including:

- Selective plant reactivation when market conditions justify positive margins.
- Exploring new offtake opportunities with potential long-term customers in both domestic and regional markets.
- Diversification into emerging biofuel applications (e.g., producing feedstock for sustainable aviation fuel feedstock blending).
- Collaborations or strategic partnerships to share risks and optimise utilisation of existing biodiesel assets.
- Management remains prudent and will only resume significant operations when sustainable margins and market demand provide a clear path to profitability.

Sustainability Matters

4. *For waste management, the Group reuses and recycles its resources; biomass residues such as palm kernel shells and fibre residues are utilised as a fuel source for steam and electricity generation while empty fruit bunches ("EFB") are applied in the field as organic fertiliser to enrich soil health and reduce chemical input. (page 62 of AR 2025)*

Q. Are all its resources, such as biomass residues, totally utilised for the Group's use or a certain percentage sold to others to generate some revenue? Please provide some figures and what are the plans going forward?

A. Our palm oil mill in Indonesia operates on a circular, zero-waste principle. Palm kernel shells, mesocarp fibre and shredded EFB are used as boiler feedstock in a palm-biomass co-generation system that meets 100% of the mill's electricity and heat demand; and the surplus electricity supports nearby workers' quarters, schools, mosques and government facilities.

We do not sell these biomass residues externally, and there are currently no plans to commercialise biomass residues. In instances where EFB volumes exceed internal requirements, the surplus is distributed to smallholders as part of the mill's value-added initiative and community support.

5. *Although the Group's business operations continue to rely predominantly on fossil fuels for transportation and equipment, it actively integrates renewable energy sources such as solar power and biomass where feasible. These alternative energy solutions help diversify its energy portfolio and support its commitment to reducing its carbon footprint. In FY2025, renewable energy accounted for 3.36% of the Group's total energy usage.*

Total renewable energy consumption decreased from 3,846 MWh in FY2024 to 3,444 MWh in FY2025. (page 64 of AR 2025).

(a) *Q. Total renewable energy accounted for only a small 3.36% of the Group's total energy usage. What is the targeted percentage and how would the Group aggressively increase the percentage, and which are the areas of focus?*

A. Renewables energy contributed approximately 3.36% of the Group's energy in FYE2025 (from biomass and solar). While the Group has not set a fixed long-term target, we actively seek to integrate renewable energy sources such as solar power and biomass wherever operationally and financially feasible. Our near-term areas of focus include:

- **Solar PV expansion** – Ongoing initiatives to expand solar PV capacity, with continued evaluation of site-specific opportunities across our business units where infrastructure and load profiles are suitable.
- **Biomass efficiency enhancements** – Upgrading Empty Fruit Bunch (EFB) press to improve biomass fuel quality (by lowering moisture content within the EFB). These improvements are expected to enhance boiler performance, with measurable gains associated with this upgrade anticipated in Q3 of FY2026.
- **Energy efficiency through low-emission mechanisation** – Adoption of solution such as battery-operated wheelbarrows across our plantation estates to reduce dependence on fossil fuels.

(b) Q. *What were the main reasons for the decrease in renewable energy consumption and how would the Group specifically address each of the sources of renewable energy?*

A. The reduction in renewable energy (-375 MWh or -12.4%) was attributable to:

- Lower volumes of available biomass, which is consistent with lower volumes of EFB output (30,008 MT in FYE2025 vs 33,540 MT in FYE2024).
- Lower solar power generation by 27 MWh (or 3.3%) to 789 MWh, due to temporary site-level downtime (e.g., inverter faults at the Head Office in Q3/Q4 of FY2025, and cabling/monitoring disconnections during renovations at the Bulking terminal in Port Klang). Most of the repairs/renovation works have been completed subsequent to the year-end.

6. *We note that on page 78 of AR 2025, there were two (2) harassment cases reported through formal reporting channels in FY2025 as compared to none in FY2024.*

Q. *What is the nature of the reported harassment cases and what is the outcome from any investigations carried out? Were there any changes or tightening of policies or regulations following the reported two cases?*

A. The nature of the two (2) harassment cases noted in our Annual Report (page 78) was workplace related. While we do not disclose case specifics to protect the privacy of those involved, both matters were promptly investigated in accordance with our grievance procedures and have been fully resolved. Disciplinary actions commensurate with the findings were taken.

The Company is committed to a safe, respectful, and positive workplace, and take these matters very seriously. We have a robust framework in place i.e. clear reporting channels, annual training to build awareness of ethical conduct and appropriate workplace behaviour, and reminders to managers of their accountability for timely escalation and support.

We will continue to enhance our training, communications and oversight, and to monitor and review our practices to uphold high standards to ensure a respectful and conducive workplace for all our employees.

Corporate Governance Matters

7. *Practice 5.2 of Malaysian Code on Corporate Governance*

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

The Board comprises 7 Directors, of whom 3 are Independent Non-Executive Directors (including the Chairman of the Board) (INED), 3 Non-Independent Non-Executive Directors and 1 Executive Director. Independent Directors constitute 43% of the Board. (page 33 of CGR 2025)

Q. *When is the Company targeting to apply Practice 5.2 to have at least half of the board comprising independent directors?*

A. As rightly pointed out, the Board currently comprises 7 Directors and the 3 independent directors (including the Chairman) make up 43% of the Board. This composition complies with Paragraph 15.02(1) of Bursa Malaysia's Main Market Listing Requirements and the Company's Constitution, which requires at least 2 or 1/3 of the Board - whichever is higher - to be independent. The Board is satisfied that the current composition provides effective checks and balances, and that all INEDs continue to demonstrate independence in judgement.

That said, the Board is committed to further enhancing its independence and performance to support the effective discharge of its responsibilities and the delivery of the Company's strategic priorities. While no fixed date is set (to ensure the right candidate fit and an orderly succession), the Board has mandated the NRC to:

- Keep independence under continuous review as part of the annual Board evaluation; and
- Recommend either (i) the appointment of an additional INED subject to identification of a suitably qualified candidate; or (ii) the replacement of a non-independent director upon vacancy or retirement (as the case may be), so that the number of INEDs comprises >50% of the Board, without compromising the Board's effectiveness, skills mix and/or diversity.

Any changes in the Board composition will be announced in accordance with Bursa Malaysia's disclosure requirements.

The above points raised and its related responses will be presented at the forthcoming AGM.

Thank you.

Yours faithfully,
KUMPULAN FIMA BERHAD



FADZIL BIN AZAHA

Group Chief Financial Officer/Company Secretary

KFIMA 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 acknowledged the benefits of hybrid meetings but noted the higher costs involved. The Board remains open to considering hybrid meetings in the future.
2.	Is the Company giving any doorgifts and refreshments to shareholders attending this Meeting?	Shareholders attending the AGM were entitled to a door gift, and refreshments were provided after the Meeting.

B. Live AGM Questions

No.	Question/ Comments	Answer / Response
		The Group has plans to expand its bulking facilities by approximately 80,000 metric tonnes (MT). The estimated capex will depend on the type of tanks to be constructed.
3.	What is the future capex plan and projected internal rate of return (IRR) for the Bulking Division?	Construction is expected to commence this year, subject to obtaining the necessary regulatory approvals and confirmation from clients. The projected returns from this investment are expected to be attractive, consistent with the Group's long-term strategy of enhancing capacity and operational efficiency in the Bulking Division.
4.	Can Tanjung Langsat terminal do biodiesel production?	Tanjung Langsat terminal is primarily designated for storage of biodiesel products.
5.	Why is the tuna segment considered more attractive when the tuna price is higher?	The tuna segment is more attractive due to the preferential duty exemption granted to exports from Papua New Guinea (PNG) to the European Union (EU). PNG exporters enjoy a 24% duty exemption, whereas competitors from other tuna-producing countries such as Thailand are not entitled to this benefit, thereby making PNG exports more competitive. By way of illustration: If the price of tuna is USD 2,000 per metric tonne (mt), the 24% duty exemption provides PNG exporters with a cost advantage of approximately USD 480 per mt compared to Thailand. At lower tuna prices, the duty exemption still applies, but the margin is smaller.

No.	Question/ Comments	Answer / Response
		The Group is working to strengthen its tuna business by increasing local sales to approximately 40,000 cartons per month, compared to the current level of 23,000–25,000 cartons per month.
6.	Since tuna is a commodity, the Group should consider expanding into businesses/products that are less volatile.	Given that the cost of production in Papua New Guinea is relatively high — for example, IFC relies fully on generator sets for processing and faces high logistics costs — the Group believes it is more advantageous to focus on countries where IFC enjoys tariff preferences. This strategy helps mitigate volatility and supports margin stability. It is vital to have a clear understanding of market dynamics in order to position the tuna business effectively.
7.	IFC's Fishing rights – do we get any income from it?	Yes, although the income from the fishing rights is relatively small. However, IFC enjoys the first right to purchase up to 35% of the total fish catch from the fishing operators.
8.	How does the Group manage competition in the bulking segment?	The level of competition in the bulking segment has increased over time. Nevertheless, the Group has established strong infrastructure and market presence, particularly in Port Klang. This includes integrated facilities which provide operational flexibility, such as product swapping and trading. These capabilities have enabled the division to sustain its competitive advantage.
9.	Is the bulking business sustainable given the intense competition?	The Group maintains sustainability through its first-mover advantage and long-term contractual arrangements with clients, some extending up to seven years.
10.	What is the status of the litigation case against Datasonic Technologies?	The matter was fully resolved in 2022, with settlement concluded and payment received.
11.	What are the Company's plans for the 6.9 million treasury shares, and in what way would a share buy-back (SBB) or cancellation benefit shareholders?	There are several options open to the Board, including disposal or cancellation. In any case, the treasury shares being held currently provide an effective return of approximately 9%, as they are not entitled to receive dividends. Cancellation of treasury shares would reduce the Company's share capital, thereby enhancing earnings per share. Additionally, treasury shares are utilised for the Share Grant Plan under the Long-Term Incentive Plan (LTIP).

No.	Question/ Comments	Answer / Response
12.	Has the Company undertaken any borrowings to finance the SBB programme?	No. The Company has not undertaken any borrowings for the purpose of financing the share buy-back to date.
13.	Share price of KFIMA ranged between RM1.85 to RM2.68 in the past 15 months. Prices have been stable, not dropping but without any significant upward movements either. The Company should take measures to improve the share price performance.	The comments are duly noted. Based on the Company's shareholder profiles, most investors are long-term holders who place emphasis on dividend yield. Further, and as highlighted in the Group Managing Director's presentation earlier, Total Shareholder Return for FYE2025 was 18.2%, comprising 9.1% from price appreciation and 9.1% from dividend distributions.
14.	What is the outlook for the Group's cattle farming?	Historically, the Group was involved in cattle feedlotting, which proved challenging due to Foot-and-Mouth Disease (FMD) outbreaks, high operating costs and modest returns. At present, the Group is focusing on breeding programmes with government support, which are also undertaken as part of its corporate social responsibility initiatives for the benefit of the local community. While still relatively small, this segment has the potential to grow over time.
15.	Why do results fluctuate across quarters?	The quarterly fluctuations are primarily attributable to the timing of crude palm oil (CPO) shipments at PTNJL. 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.
16.	What is the Group's outlook for future results? A bit disappointed with Q1 FY2026 results, given that Q4 FYE2025 was stronger and the Annual Report had indicated a somewhat positive outlook.	The Group's outlook is expected to remain satisfactory, with expectations of improved performance in the coming quarters. <u>Plantation</u> : The division's largest revenue contributor is Indonesia, which sells CPO on a bulk shipment basis of approximately 3,000 metric tonnes per shipment. Performance can fluctuate depending on the number of shipments recognised in each quarter. For example, only two

No. Question/ Comments**Answer / Response**

shipments were recorded in Q1 FY2026, whereas in other quarters there may be more.

Bulking: Performance is expected to improve in the upcoming quarters as utilisation continues to strengthen.

Manufacturing: The division has commenced printing work for the MoE contract, with deliveries expected in Q3 FY2026. Certain contracts, such as this, can only be billed upon completion. In addition, the division has invested in a digital printing machine, which is now incurring depreciation expenses but will support future growth.

Food: Performance is anticipated to improve in the second half of the financial year.

Biodiesel: The biodiesel business remains volatile due to inconsistent supply of used cooking oil (UCO). The plant was originally set up with the expectation of securing a biodiesel supply mandate, which did not materialise, and the sector continues to face overcapacity in Malaysia. Furthermore, the Port Klang facility has limited space for conversion of the plant. As such, the Board has decided to maintain the business, with most of its costs comprising rental and depreciation with a NTA of RM5 million. The plant operates on a demand-driven basis.

Results were in line with the Group's budgeted expectations, although there is still room for improvement.

17. Is the Board happy with the Q1 FY2026 results?

With three quarters remaining in the financial year, the Board and Management will continue to focus on delivering stronger performance and will do their best to achieve better results.

18. Is the Group looking to expand its bulking operations to other ports, such as Kuantan or Sabah?

These ports do not fit into our play. The Group is primarily focused on transshipment activities. Port Klang remains the key hub, serving container traffic from both Northport and Westport. Kuantan Port on the other hand, largely caters for the domestic market.

In Tanjung Langsat, while there is no container traffic, the location benefits from its close proximity to Tanjung Pelepas.

19. What is the average price of the treasury shares?

The average price is RM1.74

No. Question/ Comments**Answer / Response**

20. The Group has done well in FYE2025. However, as disclosed on pages 22–23 of the Annual Report, the Manufacturing Division recorded very low profits, while “Others” and “Associated Companies” segments reported losses.
- What are the long-term prospects for the Manufacturing Division, and why does the Group continue to maintain its associated companies?
- The “Others” segment primarily comprises the holding company costs of Kumpulan Fima Berhad and Fima Corporation Berhad, including shared services. As such, this segment will typically remain in a loss position.
- For Associated Companies, the largest contributor is Giesecke & Devrient Malaysia (GDMAL), which is also engaged in security printing. The last two years have been challenging for GDMAL as demand for banknotes has stagnated. Nevertheless, the company continues its efforts to improve performance.
- As for the Manufacturing Division, Management believes that the digital printing business remains sustainable for at least the next five years.
- The Group has been consistent in paying dividends and maintaining a stable share price, but more can be done.
21. Are there plans to expand upstream or downstream, or into new areas? The Group has been too complacent and should be ‘more adventurous’. It was also noted that the Group tends to perform less well in Q1.
- Previously security document printing and property investment was the Group’s mainstay and plantation was subsequently introduced as a new and significant business segment.
- The Group remains open to pursuing new opportunities. The Group’s Investment Committee evaluates potential ventures and businesses, with a focus on opportunities that are attractive, sustainable, and aligned with the Group’s long-term strategy.
22. The Group’s plantation landbank in Malaysia is now larger than in Indonesia.
- Can Plantation Malaysia catch up with Indonesia in terms of efficiency and productivity?
- Yes, the Group is actively working towards improving the efficiency and productivity of its Malaysian plantation operations to progressively narrow the gap with the performance levels achieved in Indonesia i.e. through yield improvement initiatives and mechanisation.

No. Question/ Comments

Answer / Response

- | | |
|---|--|
| <p>Based on acreage, pineapple segment has >1,000 acres designated but noted that only 465 acres planted. Why is this the case?</p> <p>23.</p> <p>Harvested 966mt with revenue of RM1.19 million only. Price per tonne is so low.</p> | <p>The pineapple business is part of the Group's legacy, as KFima's first venture was pineapple canning through its wholly-owned subsidiary, Pineapple Cannery of Malaysia Sendirian Berhad (PCM). Market preferences, however, have shifted over the years from canned pineapples to fresh pineapples, impacting demand and PCM has since ceased canning operations.</p> <p>Although more than 1,000 acres were originally gazetted for pineapple cultivation, only 465 acres are planted as the land comprises deep peat soil, which is unsuitable for pineapple cultivation. Applications to convert the land for oil palm planting have been declined, thus constraining management's options.</p> <p>To mitigate this, the Group has adopted avenue planting in certain areas, combining oil palm with pineapple, although this is not considered a long-term solution.</p> |
| <p>Why did the Group invest RM50 million in a new printing equipment if segment is expected to have a short lifespan?</p> <p>24.</p> | <p>The investment ensures the continued sustainability of the digital security printing operations for at least the next 5–10 years. Results from this investment are expected to be reflected from Q3 FY2026 onwards.</p> |
| <p>On Page 189 of the Annual Report (under Income Tax Expense) there is a RM8.4 million expenses not-deductible for tax purpose. Kindly clarify.</p> <p>25.</p> <p>This should be considered for future tax planning as RM8 million is a big sum.</p> | <p>The RM8.4 million expenses not deductible for tax purposes mainly comprise standard tax disallowances, including depreciation and amortisation (about RM2.4 million), unrealised foreign exchange loss (about RM1.8 million), certain provisions that are not deductible (around RM1.2 million) and withholding tax on dividends from a foreign subsidiary (about RM0.9 million)</p> <p>The Board and Management have taken note of the comments and will continue to consider this in future tax planning initiatives.</p> |
| <p>What is the bulking division's tank capacity and utilisation rate?</p> <p>26.</p> | <p>The Division's terminal at Tanjung Langsat, with a capacity of 45,000 cbm, contributed to approximately 8% increase in total divisional tank capacity.</p> <p>Approximately 70% of the division's total capacity is under long-term contracts.</p> <p>The average utilisation rate is 85%, with Port Klang operating at a higher rate of approximately 90%, while the Butterworth terminal operates at around 50%.</p> <p>In addition, the Group continues to offer short-term tank arrangements in order to provide clients with the flexibility</p> |

No.	Question/ Comments	Answer / Response
		that they need. Short-term rates are typically higher depending on the product, though occupancy rates tend to be lower compared to long-term contracts.
27.	Why didn't Q1 FY2026 show higher margins despite the increased capacity in Bulking Division?	The operations at the Tanjung Langsat terminal only commenced towards the end of May 2025, while staffing was put in place as early as April 2025. As a result, the terminal incurred operating expenses for approximately two months before actual commercial operations began, which impacted the margin in Q1 FY2026.
28.	Will FY2026 results be better than FY2025?	<p>The Board anticipates that the Group's performance for FY2026 will be satisfactory and broadly comparable to that of FYE2025, subject to prevailing market conditions.</p> <p>The Board will continue to set performance expectations and motivate management to deliver improved results. Nevertheless, it is acknowledged that certain external factors remain beyond the Group's control.</p>