



works on 754 hectares which commenced last year are still on-going and expected to be completed in this current year. The initial harvest therefrom is expected in FY2022/23.

Consistent with the Group's policy to work with and contribute positively to the communities in which we have operations, the estate had successfully recruited over 100 local workers from the surrounding areas. Recruitment of local workers will continue to be a priority.

Construction of 8 new quarters which can accommodate an additional 64 workers is expected to be completed in this current financial year. Meanwhile existing quarters have been refurbished and upgraded such that it can now comfortably accommodate up to 50 workers.

Ladang Dabong, Kuala Krai and Ladang Aring, Gua Musang, Kelantan

Planting and development works has been progressing well with 110

hectares and 396 hectares have been planted at Ladang Dabong and Ladang Aring respectively. It is anticipated that these estates will commence harvest in this current financial year. Regrettably, Ladang Aring had also encountered incidences of crop-raiding elephants resulting in damage to approximately 13,672 young palms. In the circumstances, plans to establish a patrol team and construct trenches to deter elephants from entering the fields are underway. In any event, all damaged palms have to be replaced thus causing delays before they can be harvested.

Ladang Sg. Siput, Perak

The permission and approvals for land development at our greenfield estate in Sg. Siput, Perak measuring 2,000 hectares have been obtained from the relevant authorities after much delay. An environmental impact assessment exercise ("EIA") has also being carried out and is now pending final approval from the Department of Environment. As part of the

EIA exercise, management held 2 focus group discussions to share information with and seek feedback from the indigenous and local communities, local authorities and NGOs regarding the planned development. It is pleasing to note that based on the outcome of the survey undertaken among the stakeholders, 61.2% of the respondents expressed their agreement towards the project. We hope to be in a position to commence initial development works in this current financial year.

Capital Expenditure ("CAPEX")

During the year under review, the division spent RM28.56 million on CAPEX largely towards plantation development works and purchase/replacements of fixed assets. Furthermore, the infrastructure at all our new developments have been designed to facilitate in-field mechanization. We provide good quality housing for our workers and further investments in workers' housing as well as other estate infrastructures will continue in this current financial year. Roll-out of the upgraded IT system across all our Malaysian estates which commenced last year is expected to be completed in this current financial year. The new IT system would provide the Group's head office more visibility and control of the estates' operations.

Sustainability Standards Certification

As at 31 March 2019, all 8 of our estates have been recommended for certification to the Malaysian Sustainable Palm Oil Standards ("MSPO") and are now pending certificate issuance. Selected employees have been sent for training to ensure that we have the necessary competencies